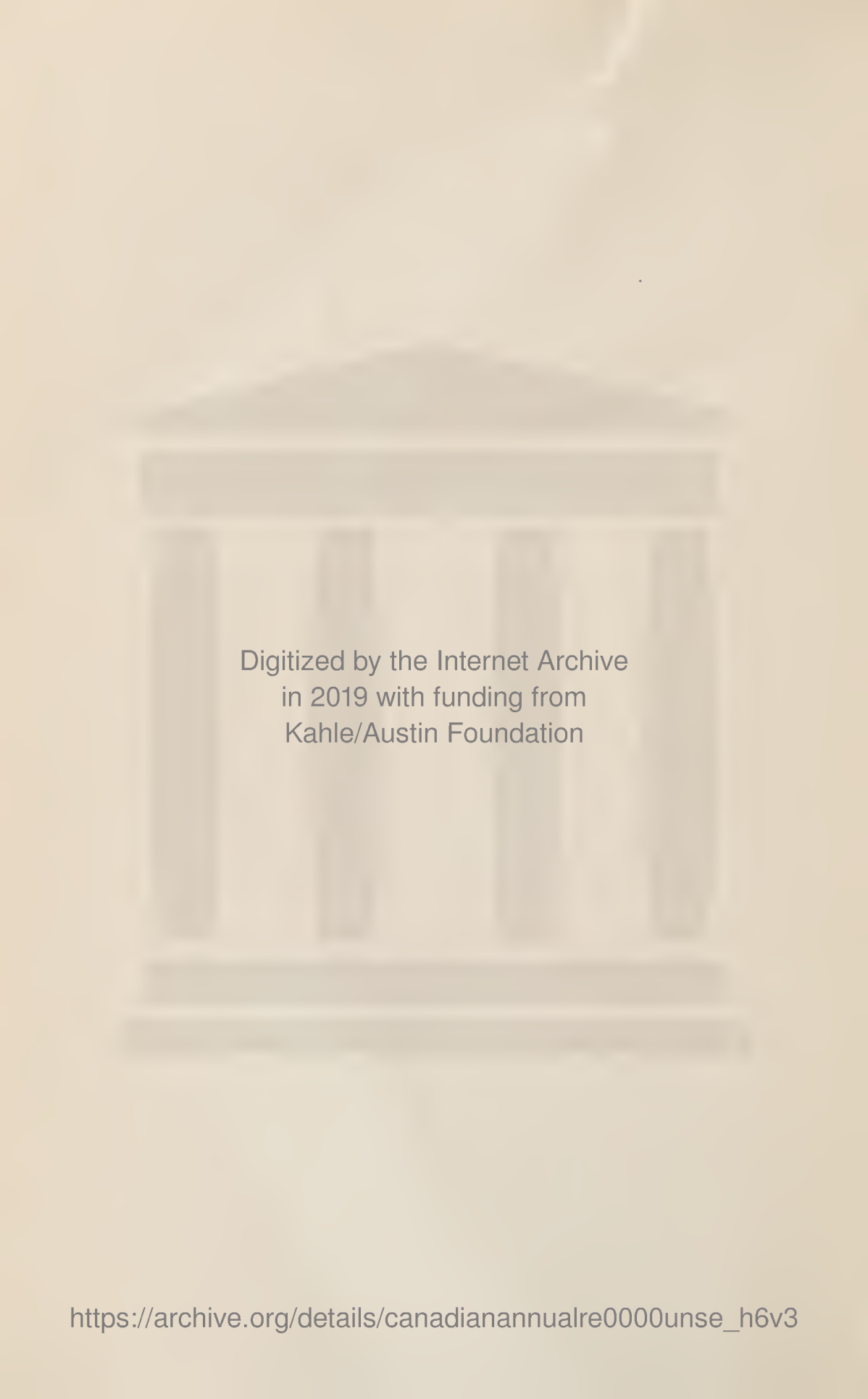
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THE
CANADIAN ANNUAL REVIEW
OF PUBLIC AFFAIRS

THE

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(FOUNDED BY J. CASTELL HOPKINS)

1932

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PREFACE

The effect of the unparalleled world economic upheaval upon Canadian affairs is reflected throughout the pages of *The Canadian Annual Review, 1932,* which, although primarily a history of Canadian affairs, necessarily includes those events in other countries the repercussions of which were so widely felt beyond their own particular spheres.

This 31st volume of the Series, which has been unavoidably delayed several months, covers the twelve months ended June 30, 1932, and, in some instances, beyond that date in order that the continuity of several important questions might not be broken. It was a period replete with financial and industrial disruption and with Government effort toward readjustment. This issue, therefore, will probably rank in historical importance with those volumes published during the epoch-making years of the World War.

The Review covers, in detailed form, Canada's unemployment relief disbursements to the end of the Federal fiscal year, 1932, increased taxation, Government borrowings and drastic economies, the Imperial Economic Conference in July, 1932, discussions and negotiations leading up to the signing of the St. Lawrence Waterway Treaty, the Report of the Royal Commission on Transportation, the measures adopted by the Dominion Government to protect the tariff structure against the effect of depreciated sterling exchange and the provision for the regulation of the export of gold, the Report of the Duncan Commission and the Maritime subventions granted in aid of the Nova Scotia coal industry.

Other occurrences of the period which have received their share of treatment are the decisions of the Judicial Committee of the Privy Council as to Dominion control of aviation matters and of radio receiving and transmitting, and the implementation by legislation of the recommendations of the Parliamentary Committee subsequently appointed to inquire into and report upon a broadcasting system for Canada, the Reports of other important Committee Inquiries, including that of the Senate into the conduct of certain Senators and—another aftermath of the Beauharnois House of Commons Inquiry of 1931—the Report of the Royal Commission of investigation into three matters pertaining to the Hydro-Electric Power Commission of Ontario. The summaries of Communistic activities and the Doukhobor situation reveal two major national problems.

Provincial affairs have been given their usual quota of space; included are three General Elections which resulted in the return of the Taschereau Government in Quebec, a new Coalition Government

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in Manitoba and the defeat, in Prince Edward Island, of one of the two remaining Liberal Governments in Canada.

In addition to comprehensive sections dealing with the state of Canada's finances, industries, trade and transportation, the Statistical Survey (pages 384-97) should be found of value to those who wish to study, in comparative form, economic conditions during a three-year period.

Sincere appreciation of their valuable contributions is tendered to our writers, among whom may be mentioned: Harvey Black, M.A., E. C. Buchanan, R. H. Coats, F.R.S.C., F.S.S. (HON.), Hector Charlesworth, A. G. Penny, B.A., W. L. Edmonds and George H. Locke, M.A., LL.D.

Our grateful thanks are extended to officials of Dominion and Provincial Government Departments and of organizations for their courtesy in supplying information, and to the Press for their generous publicity to *The Review* each year.

In particular must acknowledgement be made to our subscribers who, by their support, have made possible the continuation of *The Review* during a period fraught with increasing difficulties to publications of its kind.

THE EDITORS

Toronto, Canada,
March 1st, 1933

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ERRATA

Page 104, last paragraph, 3rd line from the bottom: "Hon. G. P. Fullerton" should read "Hon. C. P. Fullerton."

Page 177, third paragraph, 1st line: "J. A. Belleisle" should read "J. A. Bellisle."

Page 212, first paragraph, 2nd line from the top: "Hon. George P. Jones" should read "Hon. George B. Jones."

Page 340, third paragraph, 12th line from the top: "Herbert Morrisson" should read "Herbert Morrison."

Page 347, third paragraph, 3rd line from the top: "Rt. Hon. W. G. Forbes" should read "Rt. Hon. G. W. Forbes."

Page 364, second paragraph, last line: "Miss W. Kidd" should read "Miss W. Kydd."

Page 426, last paragraph, 2nd line from the top: "Hon. D. R. Grant" should read "Hon. D. I. Grant."

Page 477, fourth paragraph, last line: "G. H. Wesson" should read "J. H. Wesson."

Page 549, third paragraph, 2nd line from the top: "Hon. Charles F. Fullerton" should read "Hon. Charles P. Fullerton."

THE CANADIAN ANNUAL REVIEW OF PUBLIC AFFAIRS

FEDERAL ADMINISTRATION AND POLITICS

Mr. Bennett as Prime Minister During 1931-32

Between the close of the Second Session of the Seventeenth Parliament on Aug. 3, 1931, and the opening of the Third Session on Feb. 4, 1932, Rt. Hon. R. B. Bennett, Prime Minister of Canada, was almost continuously engaged in the national business, both at home and abroad. Except for one or two appearances before such organizations as the Conservative Business Men's Club of Toronto, he did not enter into any political activities. Immediately Prorogation set him free from the duties of the House of Commons he became busy, with his Cabinet, upon the work of giving effect to legislation which had been passed, especially the Unemployment Relief Act and the enactments having to do with the Beauharnois Power project. Then on Aug. 14 (1931) he left Ottawa for the West, where he interested himself particularly in agricultural distress in the drought areas and in the unemployment situation. He visited Provincial capitals and had discussions with the Provincial Governments on relief measures and made a number of public pronouncements. Warmly welcomed in his home city, Calgary, he assured the Prairie Provinces through the Press that relief work would be rushed, and told of arrangements under way with the Provincial Governments for carrying out the Trans-Canada Highway plan. At Edmonton on Aug. 25, addressing a meeting of Conservatives, he said he had been surprised on his Western trip by the extent of the spread of Communism and plainly warned those who would not work that they need expect no help from the State. Those who had come to Canada from other countries to seek a home were not going to be allowed to preach the doctrine of destruction. He had noted that there were those who expected the State to provide them with food and clothing whether they were willing to work or not. "That we will not do," he said. "We will not place a premium on idleness."

Mr. Bennett returned to Ottawa Sept. 1 and became absorbed in administration matters both in connection with the Prime Minister's Office and the Department of Finance. The day Great Britain decided to abandon the gold standard, Sept. 20, he issued a statement to the effect that Canada would not follow the Old Country's example. With the depression of Canadian exchange in New York following Great Britain's action his attention was mainly occupied for some time with the financial situation, which had reached a critical stage. Some of the Provincial Governments had heavy obligations maturing in New York which, owing to the level of Canadian exchange, they could not meet, and the Prime Minister extended Federal assistance. On Sept. 30, in connection with some $13,000,000 of War bonds which had not been converted in the Conversion loan a few months earlier and which were falling due in New York, he declared that "all obligations of Canada will be met strictly in accordance with the terms of the obligations."

On Sept. 30 the Prime Minister appeared before the American Hospital Association, meeting in Toronto, and praised the work of medical science. The next day he addressed the United Church Missionary Congress in the same city and voiced the conviction that "nothing but the grace of God will save the world. I said a while ago that England was safe. The grace of God saved England in the 18th century and I am firmly convinced as I stand here to-night that nothing but the grace of God will save the world. You may talk of your suspensions of gold standards, demonetization of gold, of tariffs, of balance of trade, of imports and exports, but one thing only will save Christianity and the world, the grace of God. This is my conviction and I am not ashamed to admit it." (*The Mail and Empire,* Oct. 2). On Oct. 10 Mr. Bennett left Ottawa to keep engagements in the United States. At Wesleyan University, Middleton, Conn., he received the Honorary Degree of Doctor of Laws, and going on to New York he spoke at the opening of the new Canadian Club headquarters. On the way home, in Montreal, the Honorary Degree of Doctor of Laws was conferred upon him by McGill University. To the expatriated Canadians in New York he told of Canada's faith in herself. "Canada has an immense, an unconquerable belief in herself. We have the faith that accepts good times as our natural due and bad times as only an interlude between past prosperity and the still greater prosperity that is to come." At McGill he supplemented this with the confident assurance that "the world's troubles may not be over, but ours will be the sooner over the sooner we march fearlessly to meet them," adding: "Canada is more powerful to-day than ever before, with greater ascertained resources and with an economic structure which has been tested by hard times and has triumphantly stood the test; with a people whose wisdom has been increased with experience and whose resolution has been strengthened by trial. Why, then, cannot we go forward once again?" (Canadian Press despatch). To the Board of Governors of the Canadian Authors Foundation in Toronto, Oct. 20, he expressed the con-

viction that the nation would not be built on the development of material riches alone but that spiritual and cultural factors were more important.

Toward the end of October the Prime Minister's health suffered somewhat severely by close application to State business, especially during the financial crisis of the Autumn, and he was persuaded, after he had been compelled to remain confined to his home in the Chateau Laurier for some days, to take a holiday. In Ottawa the impression was that he would go to the South of France to recuperate. But once again the Prime Minister demonstrated his incapacity for idleness. He left Ottawa on Nov. 12 with his ultimate destination depending on how he should feel when he reached New York. From there he sailed for Europe and, evidently strengthened by the ocean voyage, proceeded to London, arriving there Nov. 20, and remaining till Dec. 4 when he sailed for home. During his stay in London his time was almost entirely occupied in conferences and discussions with members of the new National Government on questions of closer economic co-operation between Great Britain and Canada. The day that Government was returned at the polls, Oct. 28, Mr. Bennett from Ottawa had issued an invitation to it and to other Governments of the Empire to a conference in the Canadian Capital as soon as possible. The British Government had immediately accepted the invitation. Mr. Bennett's discussions with British Ministers in London on the problems having to do with the promotion of trade between Great Britain and Canada were, therefore, in relation to the projected conference. His activities in London attracted much attention in the Old Country Press and when he sailed for home some newspapers asserted that he had the British Government's assurance of an Empire wheat *quota* in his pocket.

The Hon. G. Howard Ferguson, Canadian High Commissioner to Great Britain, gave a dinner in Canada House on Nov. 25 in honour of the Canadian Prime Minister at which the British Prime Minister, the Rt. Hon. Ramsay MacDonald, Rudyard Kipling, Lord Beaverbrook and many other distinguished people were present. At this dinner was served the first loaf of bread baked from wheat exported from Canada by the Hudson's Bay route. Speaking briefly at this function, Mr. Bennett sounded a call for Empire unity. "I am one of those who cherish the view that if we establish that League of Nations within this Empire, which we may, there is no problem that we may not solve and no difficulty that we may not overcome," he said. Much impressed and encouraged by the manner in which the new National Government was grappling with the grave problems of the Mother Country, he gave expression to his reaction as he was leaving London. "I came here for the sake of my health. It has done my health good, but it has done my spirit much more good. I am going back to tell Canada that the old British courage and enterprise were never so conspicuous as to-day. You are making your troubles into opportunities, and what a glorious opportunity lies

before us all in the development of our Imperial heritage." J. L. Garvin, distinguished editor of *The Observer*, London, paid unrestrained tribute to him on his departure, declaring that during his fortnight's stay he had rendered far-reaching service to the Empire and made it impossible that the 1932 Empire Conference at Ottawa could be "a *fiasco* like the last."

Arriving at Halifax Dec. 12, Mr. Bennett brought a message which attracted wide attention. "With the adoption of the Statute of Westminster," he said, "the old political Empire disappears, and everywhere I went in the Old Land, I found the people looking forward to the Conference in the belief that we would lay at Ottawa the foundations of a new economic Empire in which Canada is destined to play a part of ever-increasing importance." He was met at Halifax with the news that the Rt. Hon. J. H. Thomas had told the British House of Commons that Great Britain was committed to the idea of an Empire wheat *quota* and he voiced gratification. In Ottawa two days later, almost his first act was to deny renewed rumours from financial centres that the Government had decided to take Canada off the gold standard. In Toronto, Dec. 18, he addressed the Commercial Travellers' Association of Canada, of which he was an honorary member, appealing to them to diseminate the gospel of national confidence. At a civic luncheon in his honour he appealed for public support for the movement for reduction of armaments. After spending Christmas with his brother, Captain Ronald V. Bennett, at Sackville, N.B., the Prime Minister returned to Ottawa and at New Year's issued a stirring message of confidence to the Canadian people. The spirit in which he faced the economic situation is indicated in the following extracts:

> Swept by the huge surges of world depression, Canada has stood firm against them. If we have not gone forward as we did when the way was easier, we have assuredly not gone back. And to remain steadfast amidst the backward wash is progress of the surest kind. We have lost nothing which we may not regain. We have retained everything the loss of which would impede the progress of our advance.
>
> The power and stability of our great financial institutions have been proved. They have not failed us nor have we failed them. Industry has met the decline of old foreign markets with vigorous and effective efforts to establish new ones. Agriculture, stricken by misfortune which all its fortitude and zeal could not avert, has continued resolute and hopeful. Our trade balance is steadily growing more favourable. Within the year scores of new industries have been established; our position in world trade has been maintained. Our economic life is free from ills. Trouble has tested it and found it fundamentally sound. Experience of adversity has shown us where and how our position may be still further strengthened . . .
>
> Good times will come again, not only for Canada, but, we fervently hope, for all the world as well. The nations in a new and stronger spirit of co-operation are striving for them now. Advantage to the few is being subordinated to the good of the many. Practical and self-rewarding altruism is taking the place of harmful egoism. Peace and prosperity in the mind of civilization are more closely linked than ever in the past, and to secure the latter we have come to realize that the former must be inviolate.

Immediately after the New Year Mr. Bennett went to Calgary, mainly on a private visit, but the Prime Ministers of Alberta and

Saskatchewan conferred with him there on the economic situation of the Provinces. In Toronto on Jan. 19 (1932) he made a semi-political speech to the Conservative Business Men's Club in which he answered certain criticisms of the Administration made by the Liberal Leader, Rt. Hon. W. L. Mackenzie King; mostly, however, he dealt with national affairs in a non-partizan sense. He regarded as highly important the fact that all public obligations, whether Dominion or Provincial, had been met according to contract and stressed the necessity of maintaining the credit of the Provinces as well as that of the Dominion. He paid tribute to the Hon. G. Howard Ferguson as High Commissioner to Great Britain, declaring that he held a place such as no other High Commissioner had held in recent times. He predicted the success of the Imperial Economic Conference at Ottawa, believing it would result in agreements and policies which would prevent a return of such depressions as were then being experienced. In Ottawa, on Jan. 26, he received the annual delegation of the Trades and Labour Congress offering suggestions for the legislative programme of the coming Session. He pointed out that the Government of necessity was influenced by falling revenues, the increase in the Sales tax not having produced what was expected and the total revenues being some twenty-six millions less than in the previous year. The problem of the Government was to maintain the national credit, and in this connection he spoke of the consideration of a balanced Budget. The converting of an unfavourable trade balance of $80,000,000 into a favourable balance in a few months he attributed, mainly, to the operation of the Government's tariff policy.

During Mr. Bennett's absences from Canada the Rt. Hon. Sir George Perley was acting Prime Minister and during his visit to England the Hon. Edgar N. Rhodes, Minister of Fisheries, was acting Minister of Finance. The latter had charge of the floating of the National Service Loan in November, preparations for which were under way when Mr. Bennett left Canada. The offering was of $150,000,000, 5 per cent. bonds in two maturities: 5-year bonds at 99¼ and accrued interest and 10-year bonds at 99 and accrued interest. It was intended to keep the lists open until Dec. 12, but the issue met with such popular response that it was quickly oversubscribed, and they were closed on Nov. 30. The amount of the over-subscription accepted was $71,198,200, making the total proceeds $221,198,200. The offering was in charge of a National Management Committee of which Sir Charles Gordon, President of the Bank of Montreal, was Chairman and Victor M. Drury, President of Drury and Company, was Vice-President. Commission to bankers and brokers amounted to $1,819,106 and other expenses, $226,000; the total representing 95/100 of one per cent. of the amount raised. The Loan was for the purpose of unemployment relief, assistance to the Provinces and other Federal undertakings and obligations. The success of the flotation was the occasion for wide-spread tribute to the Canadian Prime Minister as an Empire statesman of the first

rank. The over-subscription was announced while Mr. Bennett was in England and received much attention from the London Press.

While the 1932 Session was in progress representatives of Provincial Governments conferred in Ottawa (Apr. 9) with the Federal Government on unemployment relief questions. At this conference consideration was given to the difficulty experienced by many municipalities in contributing their share of the provision for relief works. In consequence of the meeting it was decided to modify the policy of providing employment by works for the relief of unemployment and to meet the situation to a greater extent by direct relief.

During June, following the close of the 1932 Session, Mr. Bennett was thrice honoured by United States Universities. On the 6th, at the 61st Commencement exercises of the University of Syracuse, N.Y., the Prime Minister received the Honorary Degree of Doctor of Civil Law and delivered the Commencement address. Two weeks later (June 20), the Honorary Degree of Doctor of Laws was conferred upon him by the University of Rochester, N.Y. And on June 23, at the 296th Commencement exercises of Harvard University, Mr. Bennett was the recipient of a similar Degree from that University. On the previous day, in Ottawa, the Prime Minister had entertained the Canadian Authors' Association during their Annual Convention.

During the last week in June and up to the date of the opening of the Imperial Economic Conference (July 21) Mr. Bennett's time was occupied with the preparations for that important gathering and with the reception of the delegates from the several Empire Countries as they arrived in Ottawa.

Import Duty and Exchange Measures. Following Great Britain's departure from the gold standard, Sept. 20, the Canadian Government took measures, by Orders-in-Council under authority of legislation enacted in 1930 and 1931, to protect the tariff structure against the effect of depreciated sterling exchange. Orders-in-Council fixed the value of the pound sterling for duty purposes. The first Order placed the value at "par," $4.86 2/3. A second Order a little later provided for a dumping duty on the basis of the difference between the current rate of exchange and the "par" value of the pound on commodities imported from Britain. A third Order modified the second, consideration being given to an advance in prices of raw materials to British manufacturers. While the regular Customs duty was collected on the basis of the par value of the pound, a value of $4.40 was set for the purpose of the special dumping duty and this dumping duty was made the difference between the average current value of the pound as declared by the Department of National Revenue twice a month and the fixed value of $4.40. The actions of the Government provoked considerable protest, it being alleged in some quarters that they nullified the tariff preferences accorded Great Britain; in others it was held that Great Britain in her difficulties should be allowed the advantage naturally accruing from her depreciated currency. The attitude of the Government was that the effect of the depreciated sterling exchange was to obliterate the tariff protection in respect of imports from Great Britain and expose Canadian producers to unfair competition and that this effect should not be permitted. Hon. C. H. Cahan, in the capacity of acting Minister of National Revenue, issued a statement on Oct. 8 in reply to criticism of the Administration's course in which he gave reasons for the measures taken. He took the ground that these measures were for the purpose only of maintaining the intended effect of the preferential rates in the tariff,

which rates were based on the normal value of the pound sterling. He denied that the effect of the British preference was destroyed; the preference continued as it had been before the collapse of sterling exchange and Canadian purchasers of British goods were not compelled to pay any higher prices for them by reason of the steps taken. Had these measures not been taken unfair competition would have been permitted which would have had a serious effect on Canadian industry, throwing thousands of persons out of employment, while the country would have suffered a substantial loss in Customs revenue, he said. During the Session, as noted in connection with Parliamentary proceedings, the Government's policy in the matter was discussed, being criticized from the Opposition side and defended by the Ministry.

Maritime Coal Subvention. For the relief of distress conditions in the coal industry of Nova Scotia the Government, on May 9, 1932, passed an Order-in-Council increasing the freight rate subventions on the transportation of Nova Scotia coal to Quebec and Ontario. The subventions as thus increased were as follows: On coal transported by water and trans-shipped by rail to points in Quebec and purchased by consumers other than the railways, 1/5 cent per ton mile, not to exceed 75 cents, to be paid to the railways; on coal transported by water and trans-shipped by rail to points in Ontario and purchased by consumers other than the railways, 1/3 cent per ton mile, not to exceed $1.50 a ton, to be paid to the railways; on coal shipped wholly by rail, 1/7 cent per ton mile, not to exceed $2 a ton; on coal transported by water west of Montreal, $1 per ton, to be paid to operators or distributors and, on the additional rail haul, 1/3 cent per ton up to $1. The original order limited the all-rail subvention to the period, Nov. 15 to Apr. 15, but this limitation was removed by Order-in-Council of July 28. An important additional aid was the payment by the Government to the mine operators or distributors of coal of the difference between the laid-down cost, up to $2 per ton, of Maritime coal and imported coal purchased by them for use in Ontario and Quebec, this to apply on Maritime coal in excess of the amount purchased in 1931. The House of Commons, on May 25, approved of the provision of $1,100,000 for the cost of these subventions. It was unofficially estimated that the new assistance would enlarge the Ontario and Quebec market for Maritime coal by close to 1,000,000 tons a year.

Political Affairs of the Year

The Leader of the Opposition, Rt. Hon. Mackenzie King, first addressed the public, following the close of the 1931 Session, on Oct. 4, when he issued a statement at Ottawa vigorously denouncing the actions of the Administration in Orders-in-Council in raising the duties on imports from Great Britain because of the depreciated value of the pound sterling. One such Order-in-Council provided for the computing of the average value of the pound for duty purposes and another applied a special duty where goods were purchased at less than the normal value of British currency. "The result," Mr. King asserted in his statement to the public, "was a startling increase in the tariff rate against Great Britain. It practically wiped out the British preference on products of a class or kind made in Canada. In some cases it even raised the impost above the rate charged under the general tariff. It is safe to say that these two Orders-in-Council have raised the average rate of duty to a higher rate than has prevailed against Great Britain in any period of Canadian history. . . . The changes by Order-in-Council represent a greater variation in Canadian fiscal policy than has ever been adopted by any Canadian Government with the consent of Parliament. He

went on to say that the Government's actions would aggravate the difficulties of the existing situation in Great Britain and he believed that once the Canadian people realized their "menacing effect" they would demand their speedy cancellation.

Before the Ontario Liberal Association in Annual Meeting at London on Oct. 20 the Liberal Leader made a notable speech dealing with the Beauharnois investigation and with the Party organization and its financial position. He attacked the manner in which the Beauharnois Inquiry had been conducted and repeated his demand for a royal commission investigation into the whole matter of campaign funds. He told of the handicap the Federal Liberal organization was under through lack of financial support and called upon Liberals to provide ways and means of Party organization. He declared there had been no connection whatever between the approval by the former Liberal Government of the plans of the Beauharnois project and the acceptance of campaign fund contributions from the Beauharnois Company and its President. He maintained that the whole investigation had been for partizan purposes and that once it had been brought out that the Liberal Party had received contributions from "Beauharnois" the Inquiry was terminated. "If the principle of taking such subscriptions is wrong, then the problem is one of campaign funds in general, how they have been obtained in the past, how far they are necessary, and how far the practice can be eliminated by legislation or other means," he said. "The truth of the matter is that Beauharnois is symptomatic of a disease in the body politic, not of this country only, but, one might say, of all countries. It is for us, if possible, to find a remedy." He went on to say that Mr. R. O. Sweezey had made contributions to both the Liberal and Conservative Parties but that the treasurer of the Conservative Party had returned the contribution made to him on instructions from Mr. Bennett, a statement with which Mr. Bennett, at the next Session of Parliament, took issue in the House of Commons, pointing out that the contribution had not been received and returned but had been refused when offered. Mr. King held Mr. Bennett's motive to be that of being able to "stand forth in shining armour as the one knight of the round table who had made war on the dragons of greed and corruption which lay in the path of purity in the political life of Canada." The contribution had been returned so that the Conservative Party would not be exposed for accepting it should an investigation be held. "I ask Mr. Bennett to come along with me and let us complete the job, by searching out, as respects the last three General Elections, those who have made contributions to political parties," he said, calling for a royal commission investigation. In this way, by showing just what corporations and individuals contributed to party funds, the public would be enabled to judge as to the respective rights and wrongs of the political parties, and, more important still, it could see what was required in the way of remedy for the problem of campaign funds. This problem might be lessened by measures which would reduce the cost of elections.

Then Mr. King turned to the situation in the Liberal Party and deplored the inadequacy of financial support. Continuous organization and publicity were necessary to keep Liberal principles before the public, but these were not being maintained because the Party was without sufficient money. He did not forget the part played by the Press, but Press reports frequently were tinged with party bias. "It must be remembered that the old days of party newspapers are past. The Party Press is pretty much a thing of the past, with a notable exception or two, so far, at least, as the Liberal Party in Canada is concerned. Consciously or unconsciously it is only too true that advertising, not news columns, are the main concern of public journals. There was a time when the former was a means to the end as regards the latter, but the reverse to-day is all too true in all parts of the world. This must necessarily mean that special interests and privileges will never lack sympathy and support for their point of view and doctrine, and that those who are opposed to privilege must expect to find themselves, as far as Press support is concerned, very much in the minority." This made it all the more necessary for the Liberal Party to maintain a proper publicity service, but, except at election time, not a single pamphlet had been issued since 1919. Headquarters at Ottawa were kept in existence by a few personal friends and, at the time he spoke, all there was to these headquarters was "one stenographer whose salary is in arrears and an empty office the rent of which is overdue." Unless there was an immediate acceptance by the Party generally of its responsibility in the matter of maintaining a properly equipped organization and educational office he saw no chance whatever of the Party's principles and policies triumphing at the next General Election. He had no intention of shirking any duty that lay before him, but his endurance was not what it had been as a younger man, and "if I had to contemplate a further period of leadership under conditions of lack of organization and education in the Party's work such as that of which I have been speaking, I question if I should be equal to the strain or be able to do what is expected of me by the Party in the advocacy of its cause." But he had no fear of anything of the kind, believing that the members of the Party would realize their responsibility and respond to his appeal.

Following Mr. King's speech, Mr. Harry Sifton of Toronto issued a statement voicing "deep disappointment" at his Leader's references to "Beauharnois," "which can only be interpreted as an effort to justify on the narrowest technical and legal grounds what is, in fact, a political blunder of the most destructive and far-reaching character." The Ottawa correspondent of *The Gazette*, writing in his newspaper following the London meeting, found considerable amazement among Ottawa Liberals at the character of Mr. King's utterances regarding "Beauharnois," saying that "his decision to lacerate again the Beauharnois sore is termed (by Liberals on Parliament Hill) simply a political ineptitude."

On Nov. 18 Mr. King addressed the Nova Scotia Liberal Association in Halifax, when he attacked the Bennett Administration on its tariff and trade policies, its "blank cheque" legislation and for its "hypocrisy." The tariff policies of the Government were discouraging trade and so aggravating the problem of unemployment. The taking of authority to spend any amount of money for unemployment relief was without precedent even in war time. As to the National Service Loan, Mr. King wished the Government "would drop its hypocrisy and call things by their proper names," saying, "this is a loan to make good the deficits of the Bennett Government. It is a hard times loan." He condemned Mr. Bennett for not having appointed a Minister of Finance and for hitherto unheard of changes in the tariff, made without guidance of any kind. The Halifax Twentieth Century Club later presented the Leader with an engraved cigarette case. At Saint John on Nov. 19 he was guest of honour at a banquet given by the Saint John Liberal Organization Committee and repeated his criticisms of the Administration. On his way home to Ottawa he remained at Montreal long enough to address the Montreal Reform Club, taking occasion to reply to criticism of his references to the National Service Loan. He advanced the view that the Canadian Bankers' Association should have recommended to the Prime Minister that he appoint a Minister of Finance to look after Federal finances. He criticized Mr. Bennett for monopolizing so many positions in the Government himself, and said he did not think the people of Canada believed one individual will should prevail in the country. He also condemned the Hon. Howard Ferguson, Canadian High Commissioner to Great Britain, for a cablegram he sent the Hon. George S. Henry, Prime Minister of Ontario, expressing satisfaction at the result of the General Election in Great Britain. Mr. King held that this cablegram indicated that Mr. Ferguson was projecting himself in partizan politics in Great Britain and that his action was enough to demand either an explanation or his recall.

At Winnipeg, on Jan. 12, 1932, the Liberal Leader discussed public affairs before the Manitoba Liberal Association. Speaking of the Royal Commission investigating the railway situation, he condemned its method of holding its sessions in secret, which was part of the Bennet Government's "star chamber method." He said these secret sessions gave rise to suspicions, one of which was that an emergency measure to deal with the railway situation might be introduced in Parliament and the country told that a national government would be required to "save the nation from disaster." Liberalism, he declared, would stand firm against every proposition, "however camouflaged," which would destroy the independence and integrity of the Canadian National Railway system. Maintaining that Mr. Bennett must alter his "Canada First" policy, he warned against the substitution of the cry, "Empire First," declaring that Canada "must decline to become a subsidiary of an Imperial holding company," that her trade relations must be organized on a world-wide basis. The motto of the Liberal Party was, "Canada, a country among the

countries of the world." The slogan "Canada First" represented "the extreme of economic nationalism," while the shrouding of it in the new term "Empire First" indicated the emergence of a form of "economic isolation, an economic imperialism." From the Liberal point of view both economic nationalism and economic imperialism were wrong. The Bennett Government, he declared, must revise its tariff and trade policies. In Winnipeg Mr. King also spoke at a banquet given in his honour under the joint auspices of the local senior and junior Boards of Trade and the Canadian Club. At Three Rivers, Jan. 21, the Liberal Leader, at the inauguration of the Laurier Club of that city, dealt almost exclusively with the career of the great Liberal chieftain, whom he referred to as "the greatest of Canadians." It had been his own view, after Sir Wilfrid's death, that his successor should be a French-Canadian, but the Province of Quebec had chivalrously desired the honour to go to some other Province.

At the call of the Party Leader, the National Liberal Organization Committee, set up at the National Convention of 1919, had assembled in Ottawa on Nov. 23 (1931) for the first meeting in several years. The meeting had been called by Mr. King pursuant to the views he had expressed at London in October (1931) regarding the need of better organization. Delegations from all the Provinces were present, and the sessions of the Committee lasted for three days, with Mr. King presiding. On the second day the National Federation of Liberal Women and the 20th Century Liberal Association of Canada joined in the deliberations of the Committee. The first action of the National Committee, after it assembled, was the passing, on motion of the Hon. Ernest Lapointe, of a resolution of confidence in the leadership of Mr. King and of gratitude for the great services he had rendered the country and the cause of Liberalism. This resolution was enthusiastically supported by Party stalwarts from all parts of the country. Mr. King made it clear that the purpose of the meeting was the consideration of organization and finances, not policies. Important decisions affecting the Party were taken. It was determined to establish a National Liberal Association of Dominion-wide character and from this association to select a management committee of about twenty members, this body to give more or less constant attention to organization matters. Improvement and enlargement in Federal Liberal headquarters in Ottawa and the undertaking of educational effort were decided upon, while Liberal supporters throughout the country were to be asked to assist in the Party's work financially.

Senate Vacancies and By-Elections. Between Nov. 10, 1930, and June 30, 1932, ten vacancies occurred in the Senate, of which seven were filled between July 1, 1931, and June 30, 1932, and four remained unfilled at the latter date. Nine of the vacancies were caused by death, the deceased Senators being Hon. J. G. Turiff of Saskatchewan; Hon. P. E. Lessard of Alberta; Hon. S. J. Crowe of British Columbia; Hon. G. G. Foster and Hon. J. H. Legris of Quebec; Hon. E. M. Farrell, Hon. N. Curry and Hon. E. L. Girroir of Nova Scotia; and Rt. Hon. Sir George E. Foster of Ontario. The

other vacancy was created by the resignation of Hon. W. L. McDougald following the Senate Committee Inquiry—an aftermath of the Beauharnois Inquiry of 1931. The seven appointments to the Senate were those of Arthur Marcotte, K.C., for Saskatchewan; Patrick Burns for Alberta; Major-General A. D. McRae, C.B., for British Columbia; Hon. C. C. Ballantyne, P.C., for Quebec; W. H. Dennis and J. A. MacDonald for Nova Scotia, and Rt. Hon. Arthur Meighen, P.C., for Ontario.

From the date of the General Election of 1930 until June 30, 1932, six vacancies occurred in the House of Commons. They were caused by the deaths of George S. Rennie (Con., Hamilton East) on Oct. 13, 1930; Arthur Bettez (Lib., Three Rivers—St. Maurice) on Jan. 4, 1931; John F. Buckley (Lib., Athabaska) on Nov. 27, 1931; Clement Robitaille (Lib., Maisonneuve) on Jan. 16, 1932; Thomas McMillan (Lib., Huron South) on June 7, 1932; and the resignation of Hon. G. B. Jones (Con., Royal) on Apr. 12, 1932. Five of the vacancies were filled through By-Elections and in the sixth, Huron South, writs were issued for a By-Election on Oct. 3, 1932.

The dates and results of the By-Elections were as follows:

Hamilton East (Aug. 10, 1931), Humphrey Mitchell (Lab.), 10,919; M. M. Robinson (Con.), 7,263; W. H. Connor (Ind.), 507.

Three Rivers—St. Maurice (Aug. 10, 1931), Charles Bourgeois (Con.), 13,539; Wilfrid Gariepy (Lib.), 13,501.

Athabaska (Mar. 21, 1932), P. G. Davies (Con.), 4,910; I. S. Doze (Lib.), 4,586; Louis Normandeau (U.F.A.), 3,418; Carl Axelson (Farmer Unity League), 2,388.

Maisonneuve (June 27, 1932), Joseph Jean (Lib.), 15,748; Jean Fauteux (Con.), 14,443; Alex. Gauld (Soc.), 617; Héliodord Binette (Lab.), 567; Déux Courchesne (Ind.), 264.

Royal (June 27, 1932), Hon. G. B. Jones (Con.), 7,754; D. S. White (Lib.), 7,127.

Hon. G. B. Jones, Conservative Member for Royal, resigned his seat on Apr. 12 upon learning of the provision in the House of Commons Act prohibiting the sale of goods to any Department of the Public Service by an unincorporated firm of which a Member of Parliament is proprietor. Mr. Jones was the principal partner of the firm of Jones Brothers, which conducted a general store business at Apohaqui, N.B.; this firm had been filling orders for merchandise given to them by the Indian medical director of the district. Under the Act Mr. Jones' seat was vacated, and he tendered his resignation. Rt. Hon. Mackenzie King visited the Constituency during the By-Election campaign and spoke in support of the Liberal candidate. He urged the defeat of the Conservative candidate by way of notification to the Government that it should alter its policy for the Imperial Economic Conference.

The Third Session of the Seventeenth Parliament

Parliament met for the 1932 Session on Feb. 4. This was an earlier opening than usual and was occasioned by the fact that the Unemployment and Farm Relief Act of 1931 expired on Mar. 1 and by the necessity of having the Session concluded in time to permit the Government to prepare for the Imperial Economic Conference. His Excellency the Earl of Bessborough, the Governor-General, opened Parliament for the first time, and in the Speech from the Throne expressed gratification at having been selected by His Majesty as his representative in Canada. The Governor-General was accompanied by the Countess of Bessborough, and the first official appearance of Their Excellencies on Parliament Hill enhanced interest in the opening ceremonies.

Changes which had been made in the Cabinet just before the commencement of the Session also added to the interest in the opening. According to custom, the Prime Minister officially advised the House of these at the first opportunity. The Hon. Edgar N. Rhodes, Minister of Fisheries, had been acting Minister of Finance during Mr. Bennett's absence abroad at the end of the preceding year, and it had been expected in Ottawa that he would be made permanent in that Cabinet position upon the Prime Minister's return. However, Mr. Bennett had resumed direction of the Finance Department and it was not until shortly before the Session opened that he relinquished the Portfolio to Mr. Rhodes who abandoned the Portfolio of Fisheries and was sworn in as Minister of Finance. Mr. Bennett informed the House of Commons that the Hon. Alfred Duranleau, Minister of Marine, would administer the Department of Fisheries. The Hon. Gideon Robertson, having suffered a breakdown in health due to overwork in the administration of unemployment relief, resigned the Portfolio of Labour and the Hon. Wesley A. Gordon was appointed in his place. Mr. Gordon gave up the Portfolio of Immigration and Colonization but, the Prime Minister stated, would continue to administer that Department. In referring to this change Mr. Bennett paid tribute to the great service rendered by Senator Robertson, speaking of him as a casualty in the conflict against economic conditions.

A high light of the opening was the appearance of the Rt. Hon. Arthur Meighen, former Prime Minister, as Government Leader in the Senate and as a member of the Cabinet without Portfolio. As Senate Leader he replaced the Hon. W. B. Willoughby, who, just before Parliament met, resigned the leadership owing to ill health.

Following the announcement of these changes, Mr. Mackenzie King expressed his approval, regarding them as the adoption by the Prime Minister of advice offered by the Opposition from time to time. He believed it would have been to the Prime Minister's own advantage and to the advantage of the country had he effected what had just been done at the beginning of the First Session of this Parliament instead of at the beginning of the Third. He congratulated Mr. Rhodes and Mr. Gordon on their new appointments and assured them of the co-operation of the Opposition. Mr. King voiced his pleasure at the reappearance in Parliament of Mr. Meighen, but he commented upon what he regarded as among the curious twists and turns of public life that Mr. Meighen should be found occupying the position of Leader of the Upper House when his ambitions had always been closely associated with the House of Commons, while the present Prime Minister, he had understood, at one time had ambitions in the direction of the Senate. "As I looked at these two gentlemen on either side of the Throne, I could not help wondering what in the course of time this double-barrelled leadership of the Conservative Party was going to mean," he observed. Mr. Bennett interjected the remark: "It will mean two or three fewer Senators at an early date." This remark, interpreted as an allusion to the

decision of the Senate the previous Session to consider the position of those of its Members who were named in the Report of the House of Commons Committee which had investigated the Beauharnois power concession, was to be referred to frequently later in the Session in both the House of Commons and the Senate. Mr. King took an early opportunity of challenging it when speaking in the Debate on the Address-in-Reply to the Speech from the Throne. He construed the Prime Minister's statement as meaning that he had appointed Mr. Meighen to the Senate in order that he might have there an instrument of his will, "someone who, on his behalf, is to perform the office of Lord High Executioner."

Speech from the Throne. The Speech from the Throne outlined a comparatively modest programme of legislation, including Bills dealing with insurance companies, shipping and fisheries. In reference to the economic situation, it was stated in the Speech that world conditions were beyond the control of the Canadian people, but the trial imposed by these conditions had shown the Canadian situation to be fundamentally sound. The achievement of a favourable balance of trade was commented upon. But, it was stated, prosperity in full measure must await the satisfactory adjustment of accounts between debtor and creditor nations and the restoration of international monetary standards. Mention was made of the commencement of negotiations with the United States for a treaty on the St. Lawrence waterway, and the inquiry by a Royal Commission into the transportation problem. A brief reference was made to the Imperial Economic Conference to be held in Ottawa in July.

The Address-in-Reply to the Speech from the Throne was moved by Charles Bourgeois, new Conservative Member for Three Rivers-St. Maurice, and seconded by J. H. Stitt, Conservative for Selkirk, Manitoba. The Debate was unusually short, lasting less than a day and a half, and including only eight speeches. No Amendment to the Address was submitted and it was adopted without a division.

The Leader of the Opposition, speaking for about three hours, covered a wide range of subjects. He explained that, although the Opposition was refraining from moving an Amendment to the Address it was not to be understood that it approved of everything contained in the Speech from the Throne. Speaking of Canada's participation in the Disarmament Conference at Geneva, Mr. King voiced his continuing faith in the League of Nations as an effective agency for the promotion of world peace. But for the League, the hostilities in the Far East might have developed into a widespread conflict.

Dealing with the Imperial Economic Conference, the Leader of the Opposition took the view that the Prime Minister must alter his attitude if the Conference was not to fail. He blamed the failure of the 1930 Conference on the position Mr. Bennett had taken before and after the London meeting, on his having increased the British preference tariffs on the eve of his going to London, and then having proposed there, not tariff reductions but a further increase in the general tariff from which he would give an Empire preference. He pointed to the course of Great Britain in exempting the Empire products from its new tariff, which was an assurance of goodwill in advance of the 1930 Conference, and urged that even now the Bennett Government should follow that example. It should adopt the British attitude, which, Mr. King said, was synonymous with the Liberal attitude. The Liberal policy in regard to Empire trade was the same now as in the days of Laurier and Fielding. As to trade in general, Mr. King maintained that the world market was the real market of Canadians engaged in primary industries and it was important to the manufacturers that the primary producers should have this world market, since it was the source of purchasing power which created the demand

in the home market for manufactured products. The tariff, he held, should be made an instrument of national policy to help agriculture, lumbering, mining, fishing, as well as manufacturing.

So far as Liberal policy in the matter was concerned, the Party stood, with respect to the British preference, where Sir Wilfrid Laurier and Mr. Fielding stood in 1897, and where the last Liberal Administration stood when it brought in the Budget of 1930, on which it had gone down to defeat. "At that time we introduced in the House of Commons a Budget designed specifically to make possible effective negotiations at a great Economic Conference, and we are and would be prepared, if we were in office at this moment to restore the position to where it was when we went out of office. Therefore, honourable gentlemen opposite will not find us standing in their way with respect to the success of any Imperial Conference; on the contrary, if they see their way to come somewhat to our point of view, which is, as I have already pointed out, the British point of view, in the matter of negotiations, they will receive from this side hearty co-operation in their efforts.

"May I say that the question is much larger than one of trade. When one considers the basis of negotiations between different parts of the Empire, I question very much if conducting negotiations in a spirit of petty or blustering bargaining is a good method of approach. A voluntary preference, voluntarily given, was the method adopted prior to the time this Government came into office, a voluntary preference which, rather than binding or tying Canada's hands, leaves her free to do what she pleases with regard to her tariff in relation to other countries. If you start in a spirit of bargaining, and bargaining is your method, I am afraid it is going to be the beginning of very serious friction and disruption within the Empire itself. . . . What the Government will have to do is to decide what it is in the interests of Canada to do, to do that on a voluntary basis, and when the British delegates come here, to meet them very much along the lines that Britain in her attitude to-day is showing she is prepared to meet us. If we will approach Britain in the spirit she is approaching us, I do not say the result will be complete free trade within the British Empire, but it will mean freer trade and thereby very much more in the way of trade within the British Empire, and that is something to be devoutly desired."

Mr. King severely criticized the Bennett Government for its method of dealing with unemployment relief. In 1930 Mr. Bennett had blamed unemployment conditions on the Liberal Administration, but now, after his own fiscal policies had made those conditions worse he attributed them to world causes. His "blank cheque" legislation of 1931 had been unsound, and had indicated the inadequacy of the Government's conception of the situation.

Turning to the announcement in the Speech from the Throne that negotiations had been commenced with the United States regarding the St. Lawrence waterway, Mr. King suggested that these might have waited until the Commission on Transportation had reported, since the Report might be expected to cover the effect of waterways on transportation. He urged that before any treaty was signed Parliament should have full opportunity to discuss its provisions. In regard to the Transportation Commission he condemned its policy of holding its sessions in secret, maintaining that the public was entitled to know what representations were being made to it and to judge of their value.

In the course of his speech Mr. King objected to the Government's having placed before the House "matters personal to the Prime Minister" in advance of extending to the King's representative the courtesy of disposing of the Address. His reference was to the appointment of a Committee to consider certain charges made against Mr. Bennett by the Hon. George N. Gordon, a former Liberal Minister of Immigration. (See later Sub-Section).

The Prime Minister, following Mr. King in the Debate, dealt first with the latter's suggestion that there had been a discourtesy to the Governor-General. He said that the Gordon charge was not a matter touching him

personally but was in effect that the Prime Minister had stolen from the public purse. He did not think it fitting that the House should be asked to consider the Address until at least a Committee had been appointed to determine whether or not the charges made were well founded. He suggested that Mr. King had not always been so solicitous for the representative of the Crown, declaring that in 1926 he had permitted a campaign to be waged on the ground that Downing Street was dominating Canada, whereas the only proposal that Downing Street should be consulted in regard to the matter in question was made by the then Prime Minister himself, Mr. King, who had asked Lord Byng to withhold his resignation until His Excellency had communicated with the Secretary of State for the Dominions. Mr. King had permitted the Crown to be held up to ignominy during an election campaign while all the time he had had in his possession his letter to the Governor-General the publication of which would have stilled the charges of Downing Street domination.

Answering some of Mr. King's statements as to the aggravation of economic conditions, Mr. Bennett referred to "the destruction of the whole financial structure of the various countries of the world," and particularly to the departure of Great Britain from the gold standard, and he submitted that in such a situation the only thing for Canada to do, having regard to her heavy commitments outside the country, was to correct her large adverse balance of trade. When his Government came to power the adverse balance had been $100,000,000 and this had steadily been reduced until now a favourable balance of $15,000,000 at the end of the fiscal year was in sight. One of the wisest economists in the world had affirmed that this achievement by Canada was the most important victory yet secured against depression. This had been accomplished through the tariff policies of the Administration and the wise exercise of the powers conferred on it by Parliament. Incidentally, there was improvement in conditions in Canada. One hundred additional industries had been established. The situation in Canada was better than that in any country in the world.

Defending his course at the 1930 Conference in London Mr. Bennett pointed to the position taken by Sir Wilfrid Laurier at the Conference of 1902 when he submitted that if the Canadian Government could not bring about readjustments of the fiscal policy of the Empire it would hold itself free to take such action as might be deemed necessary in the presence of such conditions. To-day the Chancellor of the Exchequer in England was declaring that the British Government was committed to the principle of Empire preference. He held that the action taken by the Conservative Government of Canada had been a powerful factor in bringing about the present attitude in Great Britain.

Mr. Bennett assured the House that the Government was not hurrying the proposed St. Lawrence waterway, but he pointed to the completed Welland Canal and to the 27-foot waterway to Albany as a reason why the Canadian Government was concerned about the matter. "The development we have reached in connection with our own canal system and the canal systems of our great neighbour to the South makes it essential that now, and at no other time, we should consider it." At the appropriate time if a treaty were concluded, the House would have opportunity to discuss it and, if it desired, to reject it.

Touching the Disarmament Conference Mr. Bennett voiced his own conviction that as long as a nation permits conscription legislation to be placed on its Statute Book no progress would be made with disarmament.

Determined upon a course of economy which would contribute towards a balanced Budget and assist in making it possible to maintain the national credit, the Government had decided, Mr. Bennett announced, to make a deduction of ten per cent. from the indemnities of Members of the Senate and House of Commons and the salaries of Ministers and members of the Public Service. The estimated saving would be between seven and a half and eight million dollars.

Mr. Bennett denied that the Government was responsible for the decision of the Transportation Commission to hold its sessions in private, but he maintained that it could not in the public interest properly do otherwise. For the Commission the Government had sought the best authorities to be secured, and he thought it would be agreed that "we selected as Chairman one who for breadth of knowledge, fineness of intellect and judicial qualities stands unrivalled in the English-speaking world (Mr. Justice Lyman P. Duff). The Government had been moved to an effort to secure the best available authorities for investigating the railway situation because of the seriousness of the financial problem involved. He had been advised that the taxpayers would have to provide eighty million dollars for the National Railways in 1932, while in the previous year the amount was $112,000,000. This problem had to be met after the Budget was balanced.

Robert Gardiner, Progressive Leader, reviewed the contents of the Speech from the Throne with some dissatisfaction. While he had no personal objection to the reduction in Members' Sessional indemnities as a contribution towards the balancing of the Budget, yet he held that a general reduction from the salaries and wages of a section of the community would aggravate conditions for which a remedy was sought, since it would reduce purchasing power at a time when it was absolutely essential that the purchasing power of the Canadian people should be increased rather than reduced. He also objected to the Government's giving a lead to other employers in this respect. He thought the Government had taken the advice of banking and other financial institutions, which were the real rulers of the country, and which always urged the practice of economy in times of distress. He did not think certain statements in the Speech from the Throne as to the situation in Canada being fundamentally sound and as to conditions having improved were justified by the facts. If the situation were fundamentally sound there would not be hardship in the midst of plenty. He thought the Government had paid too high a rate of interest on its loans and in this had also set a bad example to the banks. Farm relief had not proved as effective as the Government claimed. Mr. Gardiner maintained that until there was readjustment of debts, both internal and external, there could be no great improvement in conditions. As for the Western farmers, they could have no hope unless they were relieved of their debts and also of the high interest they were paying.

J. S. Woodsworth, Leader of the Labour group, quoted extensively from economists to support the contention that the economic situation was not being approached in the right way, and regretted that the Speech from the Throne indicated no new lines of action on the part of the Government.

The Budget: Economy and Higher Taxes to Effect Balance

On Apr. 6, 1932, the new Minister of Finance, the Hon. Edgar N. Rhodes, presented his first Budget. Almost entirely it was a taxation Budget, imposing new and increased levies, designed, with reduction in expenditures, to effect a balance in Ordinary Account and leave a Surplus at the end of the fiscal year. With the exception of the extension for a year of special Customs rates on repair parts for farm implements, no change was made in the tariff schedules, the Minister stating that in view of the approach of the Imperial Conference it was deemed undesirable to make any changes touching the British preference.

Budgeting for the fiscal year 1932-33, the Minister estimated that at existing rates of taxation and reasonably stable conditions, the revenues would amount to $319,100,000. The ordinary requirements for Government Services provided for in the Main Estimates together with certain special and statutory expenditures, including payments under the Maritime Freight Rates Act, would amount to $369,900,000. The additional taxation was designed to yield $55,000,000, which would balance Current Expenditures and leave a Surplus of $4,300,000, which would serve to cover a part of Capital Expenditures

placed at $9,600,000. This would not, of course, cover unemployment relief or more indirect liabilities, but the Government regarded the balancing of the Ordinary Account as a substantial improvement.

Considerable upward revision was made in the Income tax rates. The rate on incomes of corporations and joint stock companies was raised from 10 per cent. to 11 per cent. The deduction of 20 per cent. allowed from the tax payable on personal incomes was repealed, and all taxpayers, including corporations, in receipt of net incomes in excess of $5,000 were required to pay a surcharge of 5 per cent. The personal exemption for married persons was reduced from $3,000 to $2,400 and for single persons from $1,500 to $1,200. The Income tax changes were effective on 1931 incomes.

The Sales tax was increased from 4 to 6 per cent., and a number of articles not primary products were removed from the exempt and partially exempt list. The special Excise tax on imports was increased from 1 per cent. to 3 per cent. The Stamp tax on cheques, money orders, etc., was increased to become 3 cents on instruments over $5 and 6 cents on those over $100. The former War Revenue tax of 10 per cent. on sleeping car tickets, minimum 25 cents, and 10 cents on parlour car tickets was re-enacted. A five cent tax on cable and telegraph messages costing more than 15 cents was imposed and also a tax on long distance telephone calls. The exemption from the bond transfer tax for inter-dealer transactions was abolished and the tax applied to all transactions except where dealers in securities were acting as purchasing agents for clients.

Certain taxes were imposed on insurance companies and on the premiums paid to non-Canadian insurance companies. As the original Budget resolution was amended on Ministerial motion on May 17, these taxes were: 1 per cent. on the net premiums received by companies authorized to transact insurance business in Canada other than life and marine companies, fraternal benefit societies, mutual fire companies, reciprocal insurance exchanges, and mutual companies carrying on business on the premium deposit plan; 2 per cent. on net premiums of companies authorized to transact insurance business in Canada and which carried on business on the premium deposit plan and reciprocal insurance exchanges; 15 per cent. of the net premium paid by Canadian insurers to British or foreign companies not authorized to carry on business in Canada.

Mr. Rhodes ascribed the additional taxation to the "absolute necessity of placing our financial house in order." In this connection he said:

> "Bearing fully in mind the fact that, in common with the rest of the world, we have suffered—while not in equal degree at least in substantial degree—as the result of a depression universal in scope and of unparalleled magnitude; realizing also the anxieties and burdens of the people and the manifold difficulties resulting from the trying period through which we are passing; and appreciating how desirable it is that we should endeavour to the fullest possible extent compatible with the public interest to call for as little further sacrifice as possible;—at the same time we would be recreant to our duty if we failed to face our problems with determination and, at whatever sacrifice, fully meet our financial obligations, balance our Budget and preserve our national credit in the eyes of an observant financial world.
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> "This course may result in hardship. It may entail sacrifice. But in the long run it will result in less hardship and will call for less sacrifice than that which would flow from a policy less courageous. Furthermore, the preservation of our national credit is an indispensable pre-requisite to the return of prosperity."

The Minister looked for a marked stimulus to Empire trade from measures he hoped would be taken at the Economic Conference in July, and sounded a hopeful note in the following words: "I desire to record my firm conviction that we are not far removed from events which will herald the dawn of better

days; that those qualities of courage, resourcefulness and thrift which characterized our forebears are not lost to the present generation; that our struggles and difficulties of to-day will serve as a challenge to greater effort on the part of governments and people to the end that Canada will be found in the vanguard of those nations which successfully emerge from the greatest testing time in modern history."

World Conditions. Mr. Rhodes surveyed briefly world developments which had influenced economic conditions in Canada. A critical situation began with the collapse in May, 1931, of the most important bank in Austria, which, with the subsequent crisis in Germany, brought sharply to the attention of the world the need of international action on reparations and inter-government War debts. The Hoover one-year Moratorium on War debts served to ease the situation temporarily. Repatriation of credits and consequent withdrawals of gold from countries with reduced reserves finally led to Britain's abandonment of the gold standard on Sept. 21. With an unfavourable balance of trade and heavy obligations maturing outside the country, Canada's credit abroad was threatened. Between Oct. 21 and Mar. 31, the Dominion, Provinces and municipalities and semi-public bodies had, it was estimated, $72,000,000 of debt maturing in New York or London and $80,000,000 of external interest charges to be provided for. With the Canadian dollar declining in New York, following the depreciation of sterling, it was realized that it would be impossible to stabilize Canadian exchange at par with gold. The Government's policy, therefore, was directed to accomplishing two results: to insure the prompt payment of all obligations due abroad according to contract and to assist in maintaining normal currency and credit conditions within Canada. On Sept. 14 the Government commenced buying the gold production of the larger Canadian mines on a basis approximating the value of New York funds, this gold being used to meet obligations maturing in New York. It proved sufficient to keep the Dominion out of the exchange market and to provide external gold funds for the National Railways and the Provinces. Internally it was necessary that credit facilities should continue to operate smoothly and at reasonable cost to borrowers. "Also it was imperative that there be no flight from the Canadian dollar." The objects sought were accomplished under a policy authorized by Order-in-Council of Oct. 19 which, while maintaining the redemption rights under the Dominion Notes Act, permitted the export of gold only under licences issued by the Minister of Finance to chartered banks. The gold holdings against the note issue, including issues under the Finance Act, continued to be over 45 per cent. To Mar. 1 licences for the export of gold amounted to $28,969,566 of which $19,839,286 was on Dominion account. Canadians, declared the Minister, could look back with satisfaction on what had been accomplished in this critical period. All external debts had been met on the due dates. The $72,000,000 of external debts of public bodies maturing before Mar. 31 had been provided, partly by repayment and partly by renewal, only $33,000,000 of this sum continuing to be owing abroad. The $80,000,000 of interest had been paid as it became due.

Revenue and Expenditures. Taxation revenue, which represented approximately 83 per cent. of the total receipts of the Government, declined heavily during the year, the Minister's financial statement showed, only Income taxes having brought in substantially the sum estimated. (See Statement elsewhere of Revenues and Expenditures). Special Expenditures would amount to $55,100,000, of which the wheat bonus would account for $11,000,000 instead of the $7,000,000 estimated, and unemployment relief, most of the remainder. The programme of provincial and municipal public works under the Unemployment Relief measure of 1931 involved an expenditure estimated at $70,469,675, of which the Dominion's contribution was placed at $26,586,763. The following table shows the cost by Provinces and the division of cost:

Unemployment Relief Works, 1931

Province	Total Works	Dominion Share	Provincial and Municipal Share
	$	$	$
Prince Edward Island	272,250	125,000	147,250
Nova Scotia	2,546,869	999,923	1,546,946
New Brunswick	1,911,870	749,692	1,162,178
Quebec	14,612,975	4,643,808	9,969,167
Ontario	27,869,177	8,790,833	19,078,344
Manitoba	6,565,495	2,931,987	3,633,508
Saskatchewan	5,519,843	2,759,922	2,759,921
Alberta	5,171,225	2,585,612	2,585,613
British Columbia	5,999,971	2,999,986	2,999,985
	70,469,675	26,586,763	43,882,912

For direct relief the Federal contribution was just under $9,000,000, most of which went to the drought areas in Saskatchewan. Altogether, special expenditures for unemployment and farm relief in the fiscal year 1931-32 would be $13,250,000 under the legislation of 1930 and $25,000,000 under the legislation of 1931, a total of $38,250,000, and the balance of commitments to be carried over into the next fiscal year would be $16,000,000 not including provisions for direct relief beyond that already mentioned.

The Minister of Finance proceeded then to deal with loans made to the Provincial Governments to enable them to meet obligations maturing outside Canada. In order to protect the credit of Canada as a whole, temporary assistance was given for the meeting of these obligations, "but in no case did the Government undertake the *rôle* of banker with respect to the redemption of maturing Provincial debts in New York until it was satisfied that every other avenue had been diligently explored by the Province without success." The sums advanced under this head totalled $11,637,190. In addition, $10,794,000 was lent for internal purposes, including the Provincial share of relief work. As security the Dominion held one-year treasury bills of the Provinces, and the interest rate was that which the Dominion had to pay for the money. The following table shows the loans to the Provinces in these connections:

	Loans Covering Obligations Maturing in New York	Loans for Public Works and Relief	Loans for Governmental Services	Total
	$	$	$	$
Manitoba	1,189,185	1,794,733	.....	2,983,918
Saskatchewan	3,934,341	500,000	6,500,000	10,934,341
Alberta	3,142,000	1,000,000	.....	4,142,000
British Columbia	3,371,664	1,000,000	.....	4,371,664
	11,637,190	4,294,733	6,500,000	22,431,923

Including loans and expenditures, Dominion disbursements on account of unemployment and farm relief would total $60,681,923.

The total provision the Government was required to make either directly or indirectly for expenditures of the Canadian National Railways in 1931 was $108,976,265, made up as follows:

Deficit, Canadian National Railways, excluding Eastern Lines	$ 52,255,676	
Deficit, Eastern Lines	8,712,762	
		$ 60,968,438
Capital expenditures including new equipment		33,990,106
Debt retirement		9,791,691
Discount on securities issued		4,226,030
		$108,976,265

The Minister pointed to the estimate for C.N.R. operations for 1932 of $61,500,000, to which was to be added, $6,217,000 for Eastern lines deficit. While these figures showed a substantial reduction from the requirements of the past few years they constituted "one of the country's major financial problems."

Mr. Rhodes dealt briefly with the assistance given by the Government, on the representations of the Western Provinces, to the marketing of the

grain crops of 1930 and 1931. Guarantees given by the Government to the chartered banks which financed the Wheat Pools had been without cost to the Treasury. The amounts of the 1931 guarantees were: Manitoba Pool, $1,250,000; Saskatchewan Pool, $12,000,000; and Alberta Pool, $7,500,000.

The Federal Balance Sheet. The Finance Minister arrived at a Net Debt of $2,381,117,486 as at Mar. 31, 1932, by taking active assets—made up of cash balances, specie accounts, loans and advances which were realizable or income-producing, and other miscellaneous accounts—as an offset against Gross Liabilities. Total Liabilities were placed at $2,832,355,834, and Active Assets at $451,238,348. The Balance Sheet follows:

Liabilities, March 31, 1932

(Estimated)

Dominion Notes Outstanding		$ 157,300,000 00
Bank Circulation Redemption Fund		6,811,792 41
Insurance and Superannuation Funds:		
Government Annuities	$ 26,643,412 41	
Insurance Fund, Civil Service	7,026,451 72	
Insurance Fund, Returned Soldiers	10,340,486 30	
Retirement Fund	6,888,204 08	
Superannuation Funds	39,488,306 22	
		$ 90,386,860 73
Trust Funds:		
Indian Funds	$ 13,591,800 48	
Common Schools Funds	2,668,449 17	
Contractors' Securities Deposits	560,000 00	
Other Trust Funds	2,163,541 17	
		$ 18,983,790 82
Contingent and Special Funds		1,847,415 00
Post Office Money Orders, Postal Notes, etc., outstanding		3,401,154 10
Province Accounts		9,623,816 77
Post Office Savings Bank Deposits		23,918,371 39
Temporary Loan		15,000,000 00
Funded Debt:		
Unmatured	$ 2,501,782,733 23	
Matured but not presented for payment	1,000,000 00	
		2,502,782,733 23
Interest coupons matured but not presented for payment		2,300,000 00
		$2,832,355,834 45

Active Assets, March 31, 1932

(Estimated)

Cash balances in banks		$ 53,201,347 69
Specie Reserve	$ 64,600,000 00	
Advances to banks under Finance Act	32,000,000 00	
		96,600,000 00
Loans to Provinces for housing	10,521,187 72	
Loans to Provinces, Relief Act, 1931	22,431,923 00	
		32,953,110 72
Loans to Foreign Governments:		
Greece	6,525,000 00	
Roumania	23,969,720 00	
		30,494,720 00
Loans to Harbour Commissioners:		
Chicoutimi	2,626,000 00	
Halifax	7,593,000 00	
Montreal	57,389,000 00	
Saint John	9,170,855 00	
Vancouver	21,416,900 00	
Three Rivers	2,426,600 00	
New Westminster	170,685 91	
		100,793,040 91
Canadian Farm Loan Board		7,216,465 00
Soldier and General Land Settlement		47,366,985 44
Seed Grain and Relief Advances		2,391,971 84
Canadian National Railways		41,282,899 00
Bond purchase Account		4,403,676 06
Advances for Working Capital and Miscellaneous:		
Advances to Royal Canadian Mint	3,223,200 00	
Can. Govt. Railways Open and Stores Accounts	15,748,921 60	
Miscellaneous	3,020,994 36	
		21,993,115 96
Deferred Debits:		
Unamortized discount and commission on loans		12,541,015 28
		$ 451,238,347 90

Non-Active Assets, March 31, 1932

(Estimated)

Canadian National Railways		$ 614,406,239 42
Canadian National Steamships		16,911,482 55
Harbour Commissioners:		
Quebec	$ 25,924,995 68	
Montreal and Three Rivers	783,452 56	
		26,708,448 24
Seed Grain and Relief Advances		782,464 71
Soldier and General Land Settlement		16,468,957 95
Miscellaneous Advances		997,987 23
Capital Accounts:		
Canals	237,033,725 90	
Railways	441,960,292 77	
Public Buildings, Harbour and River Improvements	243,349,535 87	
Military Property and Stores	12,035,420 50	
Territorial Accounts	9,895,947 68	
		944,274,922 72
Railway Accounts (old)		88,398,828 78
Consolidated Fund Balance as at debit, March 31, 1932		672,168,154 95
Net Debt, March 31, 1932		$2,381,117,486 55

In view of the general financial situation and the condition of exchange, it may be well to give here the Minister's statement showing the unmatured Funded Debt of the Dominion, which was, at Mar. 31, 1932, as follows:

Date of Maturity	Rate	Where Payable	Amount of Loan	Interest Charges 1932-33
	p.c.		$ cts.	$ cts.
1932—Nov. 1	5½	Canada	34,449,950 00	1,894,747 25
Dec. 1	4	Canada and New York	40,000,000 00	1,600,000 00
1933—Nov. 1	5½	Canada	169,971,850 00	9,348,451 75
1934—June 1	3½	London	23,467,206 27	821,352 22
July 1	5	Canada	33,293,470 85	1,664,673 54
Nov. 1	5½	Canada	226,138,350 00	12,437,609 25
1935—Aug. 1 (a)	5	Canada and New York	874,000 00	43,700 00
1936—Feb. 1	4½	New York	40,000,000 00	1,800,000 00
Nov. 15	5	Canada	79,535,200 00	3,976,760 00
1937—Mar. 1 (a)	5	Canada and New York	90,166,900 00	4,508,345 00
Dec. 1 (a)	5½	Canada	236,299,800 00	12,996,489 00
1938—July 1	3	London	8,071,230 16	242,136 90
July 1	3	London	18,250,000 00	547,500 00
July 1	3	London	10,950,000 00	328,500 00
July 1	3½	London	15,056,006 66	526,960 23
1940—Sept. 1	4½	Canada	75,000,000 00	3,375,000 00
1941—Nov. 15	5	Canada	141,663,000 00	7,083,150 00
1943—Oct. 15	5	Canada	147,000,100 00	7,350,005 00
1944—Oct. 15	4½	Canada	50,000,000 00	2,250,000 00
1946—Feb. 1	4½	Canada	45,000,000 00	2,025,000 00
1947—Oct. 1	2½	London	4,888,185 64	122,204 64
1950—July 1	3½	London	137,058,841 00	4,797,059 43
1952—May 1	5	New York	100,000,000 00	5,000,000 00
1956—Nov. 1	4½	Canada	43,125,700 00	2,102,377 87
1957—Nov. 1 (b)	4½	Canada	37,523,200 00	2,063,776 00
1958—Nov. 1 (c)	4½	Canada	276,688,100 00	15,217,845 50
1959—Nov. 1 (d)	4½	Canada	285,772,300 00	15,717,476 50
1960—Oct. 1	4	London	93,926,666 66	3,757,066 67
Oct. 1	4	New York	100,000,000 00	4,000,000 00
			2,564,170,057 24	127,598,186 75

Payable in Canada	$1,881,461,020 85
Payable in Canada and New York	131,040,900 00
Payable in New York	240,000,000 00
Payable in London	311,668,136 39
	2,564,170,057 24
Less bonds and stocks of the above loans held as Sinking Funds	62,387,324 01
	$2,501,782,733 23

(a) Tax free in Canada.
(b) 5½% to Nov. 1, 1932.
(c) Tax free to Nov. 1, 1933, 5½% to Nov. 1, 1933.
(d) 5½% to Nov. 1, 1934.

Indirect obligations represented by guaranteed securities of Railways and Harbour Commissions totalled $1,000,918,406.

Debate on the Budget. The Budget did not find much favour in the eyes of either the official Opposition or the Agrarian and Labour groups and was by them made an occasion for examining critically the policies of the Administration. Amendments were submitted by the Liberals and jointly by the Progressive and Labour groups. The leading analysis of Mr. Rhodes' offering was made by the Hon. J. L. Ralston, financial critic of the Opposition, when the Debate opened on Apr. 11. The Government was erring in many ways, in Col. Ralston's opinion, but he was particularly condemnatory of its tariff and trade policies, its placing of "a barbed wire fence around Canada," its "manipulation" of duties by Order-in-Council so that tariff schedules became a mere formality, being changed over-night by the fixing of arbitrary values for duty purposes, and by dumping and special duties. Referring to the fixing of values on the pound sterling, he protested that the Government had no right to "sit in the East Block and impose taxes." The Minister of Finance had missed an opportunity of holding out the hand of goodwill to Great Britain on the eve of the Imperial Conference by reducing preference tariff rates.

To Col. Ralston the favourable balance of trade of which the Government boasted meant nothing at all, it having been reached by decreasing imports. He asked which was preferable, to have an unfavourable balance on $2,000,000,000 of trade or a favourable balance on $1,000,000,000. He criticized Mr. Bennett for having, in the previous Budget, been astray $81,000,000 in his estimate of revenues for the year. Instead of paying for unemployment relief the Government was passing it on to future generations, piling up the National Debt. He objected to the Federal Government making the Provinces subservient through a system of loans, and advocated a reconstruction of the financial relationship between the Dominion and the Provinces. He asserted that the Liberal Administration had decreased the Funded Debt in five years by $257,000,000 while the Conservatives in two years had increased it by $307,000,000. He deplored the raising of the Income tax on persons of small salaries and reminded the Members of the Government that in Opposition they had condemned the Sales tax and demanded its removal, whereas they were now steadily increasing it. Col. Ralston submitted the following Amendment to the Budget:

> "This House is of the opinion that increases made by the present Administration in the Customs tariff have been arbitrary, ill-considered and inordinate, and have had the effect of stifling agriculture and other industries, restricting trade and commerce, and increasing unemployment; that the fixing of values for duty purposes by Orders-in-Council is an interference with the inherent right of Parliament to regulate duties and determine taxation, and has had an unsettling effect on commerce, a depressing effect on business, and has been detrimental to the interests alike of producers, importers, distributors and consumers; that a reversal of the present fiscal policy in relation to Customs tariffs and an immediate resumption of Parliamentary direction and control with respect thereto are essential to a revival of trade, and improvement in business, and to the ultimate return of prosperity in Canada."

Following the Opposition critic, the Hon. H. H. Stevens, Minister of Trade and Commerce, urged upon the House consideration of factors which he held to be deeply influencing the economic situation of the world. Four principal factors were price levels, debt, interest, and trade. Price levels were effected by the scarcity and hoarding of gold. The most serious thing in the economic world was the fluctuation in the value or purchasing power of money, and the first step attempted in dealing with the economic situation should be the stabilization of this purchasing power. Canada, the country as a whole, was a debtor nation to the extent of $5,000,000,000—having obligations outside Canada of $6,250,000,000 and loans of $1,250,000,000—and so must meet $250,000,000 annually in interest. Canadian products, the export of which contributed to meeting these obligations, such as paper, copper, lumber, had fallen in price from one-third to two-thirds. These same low price levels operated similarly in the case of internal debts, the farmer, for example,

having to sell 266 bushels of wheat to meet a mortgage interest payment of $160 instead of the 133 bushels which was sufficient to pay it in 1928. In the matter of trade, Mr. Stevens pointed out that for millions of dollars worth of raw materials such as rubber and silk imported into Canada this country received no credit or benefit in the way of purchases from Canada in the countries producing them because they came to Canada through the United States. The Government was now hoping to make such arrangements at the coming Imperial Conference as would enable Canada to buy some of these commodities directly from the countries of origin within the Empire.

One of the first indications of a movement for closer political alliance between the Agrarian and Labour groups, which was to take more definite shape later in the year, came with the entry of the Progressive Leader (Mr. Gardiner) into the Debate with a Sub-Amendment to the Budget calling for reform of the financial system. His Sub-Amendment was made in behalf of both groups and was seconded by Mr. Woodsworth, the Labour Leader.

Taking up Mr. Stevens' admission that interest rates were too high, Mr. Gardiner pursued the subject to the point of offering what he regarded as the only remedy for a condition which created debts which could never be liquidated. His remedy was the nationalization of credit and currency and their employment in the service of the Canadian people at cost. "When we put our finger on the profit which those make who are engaged in permitting money and credit to come into circulation, we put our finger on what is the most important problem of all," he said. Mr. Gardiner softened his radical proposal somewhat by paying emphatic tribute to the "capitalistic system" which, in his judgment, had "done more for the human race than all former systems combined of which we have any record." But then he proceeded to advocate other radical measures. One of the reasons why the country was over-stocked with unsold commodities and why price levels were low was that more money than ever before was resting on deposit in savings banks. He believed these deposits should be "taxed into circulation." Then he put forward the proposition that people with large incomes should be allowed to enjoy $20,000 or $25,000 a year, but that all income above that should be taken by the State and used to improve conditions in the country. He moved in Amendment to the Liberal Amendment the following, seconded by Mr. Woodsworth of Winnipeg North-Centre:

> "That all the words after the word 'that' in the said proposed Amendment be deleted, and the following substituted therefor:
>
> Whereas, in Canada there exists an ample supply of natural resources to provide for all primary needs, and
>
> Whereas, we have developed an efficient industrial machine capable of producing more than sufficient of the requirements of our people, and
>
> Whereas, notwithstanding this our external and internal debts are increasing enormously—large numbers of our citizens are in dire need and exist through Governmental and charitable relief, and a large proportion are faced with declining purchasing power involving a lowered standard of living, and
>
> Whereas, in our opinion these conditions are attributable to fundamental defects in the present economic system, and
>
> Whereas, it is therefore necessary that Parliament, the agency with the widest legislative powers, should take the initiative in the task of reconstructing national production and consumption with a view to the widest possible use of commodities on a basis of human needs, and
>
> Whereas, the control of finance is a basic element in such reconstruction, affecting as it does industrial plant establishment and development, the distribution of goods and the price level of goods and services.
>
> Therefore, be it resolved, that in the opinion of this House, as a first step towards general economic reconstruction, our financial system should be nationalized, and provision be made to issue immediately sufficient money to bring the value of the dollar as speedily as possible to that

point at which the major portion of our debts were incurred during the War; stabilize the dollar at this point internally and thereafter manage credit and currency issue to secure and maintain a stable price level within Canada."

By Apr. 27 the Budget Debate was coming to a close and the Party Leaders assumed the task of summing up the arguments from their respective points of view. As in the Debate on the Address, Mr. Mackenzie King reviewed the record of the Government as a whole and found much to criticize, but his principal indictments were in respect of tariff policy and the effect he considered the administration's tariff measures, both by legislation and by Order-in-Council, had had on economic conditions, and its attitude in regard to the Imperial Conference. He attributed the gloomy picture revealed in the Budget Speech in part at least to the policies of the Administration, and submitted that had the Government seen fit to accept some of the suggestions of the Opposition conditions would not have been as bad. The heavy increase in taxation provided for in the Budget had been necessitated in large part by loss of revenue suffered in consequence of unduly high tariffs. The reason the Opposition saw fit to stress the tariff position in its Budget Amendment was the desirability of getting tariffs down to a basis which would permit trade within the country. Particularly he condemned the fixing of tariffs by Order-in-Council, both on the ground that it was upsetting to business and that it was subversive of the constitution.

Mr. King found fault with the Government, and especially with the Prime Minister, because of the alleged denial of opportunity to the House of Commons for discussion of the Imperial Conference. When the Opposition asked for information regarding the Conference *agenda* they had received "only curt and, I might say, rude replies." He suggested that there was wide-spread indignation at the apparent lack of preparation on the part of the Government for the Conference. "My information is that the matter has been left pretty largely in the hands of the Manufacturers' Association." He found it impossible to understand the point of view of the Government when on the eve of the Conference it increased by 2 per cent. the tax on all goods coming into Canada from Great Britain, and this at the very moment when Great Britain, in imposing import taxes, took care not to put a single cent of taxation against goods from Canada. He called upon the Prime Minister for a statement that Canada would enter the Conference with an open mind and that she would not hold to the theory that the only goods to be admitted from Great Britain would be such as were not produced or manufactured in this country. "I submit that at the Conference Canada's interest will be more greatly furthered in the end if what is done is done by voluntary concession brought about by concurrent legislation rather than if it is brought about by means of locked agreements between Great Britain and this country . . . But what is the idea back of this theory of Canada as an economic unit? It is entirely a protectionist device to enable the Government to keep out as much in the way of trade as is possible." Mr. King warned that the Liberal Party would take decided exception "to any tariff arrangement which would shackle the freedom of any self-governing Dominion or of Great Britain herself in the matter of any trade arrangements she may wish to make with other countries."

The Liberal Leader did not offer much encouragement to the more radical groups in the House in their proposals for attacking economic conditions by currency inflation, nationalization of banking, and other advanced and untried methods. He was not sure that inflation would not defeat some of the ends sought, and he saw as a danger the difficulty of stopping it once it was started.

The Prime Minister, following Mr. King in the Debate, regretted that the Leader of the Opposition and those about him appeared to be entirely oblivious of the fact that Canada, in common with the rest of the world, was in the midst of the greatest crisis ever known. He told Mr. King that leading supporters of the Liberal Party of years gone by and of the present day, including some who sat behind the Liberal Leader in the House, had expressed

their gratitude that the present Government was transacting the affairs of the country. Reviewing the development of the financial crisis and outlining its effect on Canada, he maintained that only through the measures taken by the Administration could this country have escaped much more serious consequences. Notwithstanding the greatest depression the world had ever seen Canada had attained to the position of being fifth among the exporting countries of the world, exceeded only by Great Britain, France, Germany and the United States. There was no record in the economic history of the world of a people as small in numbers and having so vast an area making like progress under such conditions. In 1929 the Minister of Finance had been able to show a favourable balance of trade of $120,000,000. In twelve months, by Mar. 31, 1930, that favourable balance had been wiped out and replaced by an adverse balance of $100,000,000. The continuance of such a condition meant insolvency for Canada. Unless something were done disaster was inevitable. The Government had immediately taken the only course possible for the correction of the situation, putting an end to the wholesale dumping of the goods of other nations into this country. Mr. Bennett defended the measures adopted for the protection of Canadian industry following Great Britain's departure from the gold standard. The depreciation of the value of the pound sterling lowered the duty on British goods and had steps not been taken to meet the situation Canadian industries would have been snuffed out of existence. His Government would do again to-morrow what it had done at that time if it were necessary. The only question with which he was concerned in regard to the tariff was whether or not it was sufficient to accomplish the end sought, and that end was the preservation of the credit and solvency of the country.

Mr. Bennett said there was no occasion for the Opposition Leader's alarm about the adequacy of the Government's preparation for the Conference. The Administration would be found ready to deal with every problem of the Empire Meeting in a manner worthy of this Dominion.

Sounding a political note, Mr. Bennett professed to find Liberal leaders apparently anticipating the advent of a Labour administration in Canada. He had remarked that when Mr. Woodsworth, the Labour Leader, was addressing the House leading Members of the Opposition had changed their seats in order to catch his words of wisdom. He could not help but think that they were saying to the Member from Winnipeg North-Centre: "Remember me when thou comest into thy kingdom." He went on to refer to a trip of Hon. Vincent Massey during which in Western Canada he had left copies of a manifesto of "the League for Social Reconstruction," in which very radical proposals were advocated. Mr. Bennett was corrected by Mr. King when he referred to Mr. Massey as the organizer of the Liberal Party. Mr. King said he hoped Mr. Massey would accept the position of President of the National Liberal Association.

The Debate was featured in its later stages by vigorous defence of the course of the Government in the matter of Orders-in-Council affecting Customs duties by the Hon. E. B. Ryckman (Minister of National Revenue). Mr. Woodsworth took advantage of the opportunity to make two speeches in both of which he bitterly assailed the Government in connection with unemployment and distress.

On Apr. 26 the Gardiner-Woodsworth Sub-Amendment was negatived, 178 to 17, only the Progressive and Labour Members and A. W. Neill (Ind., Comox-Alberni), voting for it. The following day the Liberal Amendment was defeated, 114 to 66. The Agrarians split in this division, Miss Macphail and Mr. Garland of Bow River supporting the Amendment, and Messrs. Gardiner, Irvine, Lucas, Luchkovich, Spencer and Speakman voting against it. It had the support of the Labour Members, with the exception of Angus MacInnis of Vancouver South, and of Mr. Neill. In the final division the Government secured a vote of 108 to 72 for the Budget. It received no extra-Party support except that of Mr. Neill (Ind.). Those of the smaller groups voting took the negative side.

Dominion Finances. The Main Estimates for the fiscal year ending Mar. 31, 1933, were tabled by the Minister of Finance on Feb. 15, 1932. In addition to the Main Estimates, there were brought down (Mar. 14) further Supplementary Estimates of $1,059,474.33 and Supplementary Estimates for 1931-32 for $2,242,474.83 for Canadian National Steamships and Maritime Freight Rates Act (Canadian National Steamships, $161,568.53; Maritime Freight Rates Act, $2,080,906.30).

Supplementary Estimates for $6,620,472.95 were brought down on May 19 for the fiscal year, 1932-33. Estimates for Canadian National Steamships and Maritime Freight Rates Act for 1932-33 were tabled Apr. 22, totalling $10,128,000 (Canadian National Steamships, $1,260,000; Maritime Freight Rates Act, $8,867,400). These Estimates for Maritime Freight Rates Act are included in the following statement under Railways and Canals Income.

The Estimates for the Canadian National Railways for the year 1932-33 amounted to $61,500,000. The Minister of Railways introduced legislation Mar. 16, authorizing the Company to negotiate loans to that extent.

The following table shows a comparison between the total Estimates (Main and Supplementary) for the years 1931-32 and 1932-33:

Service	Estimates 1931-32	Estimates 1932-33
Interest on Public Debt, including Sinking Funds	$124,271,332.97	$137,476,254.67
Charges of Management	889,000.00	886,628.00
Civil Government	13,202,655.99	11,438,439.76
Administration of Justice	2,193,858.33	2,198,300.00
Penitentiaries	2,808,400.00	2,757,026.12
Legislation	2,623,647.33	2,267,515.80
Agriculture	9,968,571.74	7,569,072.00
Immigration and Colonization	2,158,000.00	1,471,895.00
Soldier and General Land Settlement	2,180,000.00	1,894,497.00
Pensions	52,470,475.35	49,973,499.71
Superannuation	1,199,200.00	1,082,100.00
National Defence	13,610,499.07	11,283,468.24
Aviation	5,242,000.00	1,750,000.00
Railways and Canals—Income	12,962,622.87	9,652,260.45
Public Works—Income	19,351,812.38	13,236,547.38
Mail Subsidies and Steamship Subventions	3,068,220.00	2,050,702.50
Ocean and River Service	4,646,531.45	3,913,099.61
Lighthouse and Coast Service	3,007,106.60	2,442,120.00
Scientific Institutions	988,910.00	714,140.00
Steamboat Inspection	143,520.00	136,080.00
Fisheries	2,232,500.00	1,962,756.36
Subsidies to Provinces	12,744,201.32	12,744,201.32
Mines and Geological Survey	724,600.00	545,500.00
Labour	397,000.00	384,000.00
Public Printing and Stationery	226,050.00	174,000.00
Indians	4,960,669.00	4,326,100.00
Royal Canadian Mounted Police	3,354,456.34	4,039,595.75
Government of the Northwest Territories	637,345.00	430,120.00
Government of the Yukon Territory	185,500.00	162,500.00
Dominion Lands and Parks	2,690,646.20	2,095,391.37
Pensions and National Health	14,688,209.68	11,223,300.00
External Affairs	755,343.94	702,973.94
Miscellaneous	7,725,973.85	6,551,736.98
National Revenue	15,306,361.00	12,021,811.65
Railways and Canals—Collection of Revenue	3,075,000.00	2,828,525.00
Public Works—Collection of Revenue	962,800.00	740,600.00
Post Office	36,339,975.00	31,717,100.00
Trade and Commerce	8,642,851.56	5,101,208.35
Total Consolidated Revenue	$392,635,846.97	$361,945,066.96
Railways and Canals—Capital	$10,808,310.00	$5,111,100.00
Public Works—Capital	3,437,000.00	1,060,000.00
Public Works—Capital—Marine	4,615,933.00	3,518,000.00
Total Capital	$18,861,243.00	$9,689,100.00
Total Consolidated Revenue and Capital	$411,497,089.97	$371,634,166.96
Adjustment of War Claims	3,300,000.00	582,500.00
GRAND TOTAL	$414,797,089.97	$372,216,666.96

A comparison of Revenue and Expenditure for the two fiscal years ending in 1931 and 1932 is given in a statement of the Department of Finance for the fiscal year ending Mar. 31, as follows:

Ordinary Revenue

	Total Apr. 1, 1930 to Mar. 31, 1931	Total Apr. 1, 1931 to Mar. 31, 1932
TAXATION REVENUE—		
Customs Duties	$131,208,955.15	$104,132,677.35
Excise Duties	57,746,808.13	48,654,862.10
WAR TAX REVENUE—		
Excise Tax (Sales, Stamps, etc.)	34,734,661.17	59,606,391.10
Income Tax	71,048,022.05	61,254,399.80
Miscellaneous Taxes	1,537,949.60	1,405,272.17
TOTAL TAXES	$296,276,396.10	$275,053,602.52
Interest on Investments	10,421,224.50	9,330,124.55
Post Office	30,212,325.60	32,234,945.83
Dominion Lands	1,655,400.63	485,363.79
Canada Grain Act	2,179,046.52	1,484,826.19
Miscellaneous	8,842,905.32	11,120,193.40
TOTAL ORDINARY REVENUE	$349,587,298.67	$329,709,056.28
Special Receipts and Credits on Consolidated Fund	6,622,059.65	7,028,100.70
TOTAL	$356,209,358.32	$336,737,156.98

Ordinary Expenditure

Interest on Public Debt	$121,289,843.72	$121,151,106.38
Pensions	45,965,722.74	48,686,388.96
Subsidies to Provinces	17,435,736.12	13,694,970.12
Soldier Land Settlement	1,300,327.55	1,035,474.51
Pensions and National Health	10,717,740.69	12,022,749.54
National Revenue	13,206,441.92	13,144,210.15
Post Office	36,292,603.57	34,448,986.38
National Defence	14,677,160.28	12,746,909.32
Agriculture	9,143,977.81	9,205,723.70
Public Works, chargeable to Income	23,763,284.09	16,099,738.72
Dominion Lands and Parks	4,970,068.55	2,626,744.23
Trade and Commerce	6,678,363.66	8,067,432.33
Civil Government	12,628,382.27	12,135,790.47
All other Expenditure	75,920,290.80	70,337,119.31
TOTAL ORDINARY EXPENDITURE	$393,989,943.77	$375,403,344.12
SPECIAL EXPENDITURE—		
Adjustment of War Claims	610,371.37	1,421,970.65
Discount and expenses of Loan Flotations	193,338.43	1,350,223.40
Miscellaneous Charges to Consolidated Fund	11,553,965.44	3,499,847.86
Unemployment Relief, 1930		13,189,843.66
Unemployment and Farm Relief, 1931		25,105,671.34
Wheat Bonus		10,908,428.91
CAPITAL EXPENDITURE—		
Public Works	12,009,276.30	7,409,541.53
Railways and Canals	16,213,041.81	9,570,246.71
LOANS AND ADVANCES NON-ACTIVE—		
Loans to Canadian National Railways	.....	.....
Loans to Canadian Government Steamships	1,826,941.51	1,199,285.53
Loans to Quebec Harbour Commission	3,491,000.00	1,379,000.00
Miscellaneous Non-active Accounts	169,457.53	533,989.00
GRAND TOTAL EXPENDITURE	$440,057,336.16	$450,971,392.71
Increase of Debt	$ 83,847,977.84	$114,234,235.73

Public Service Salary Deduction

A considerable item in the Government's economy programme for balancing the Budget was a ten per cent. deduction from the salaries of public servants. First announcement of this was made by the Prime Minister in the opening Debate of the Session, it being then indicated that the cut was to apply throughout the Service, from Cabinet Ministers to the lowest paid ranks of Government employees. As the plan matured into legislation the Government found it necessary to exempt from it members of the Judiciary,

the Defence forces, and the Royal Canadian Mounted Police. Eventually modification was made in the case of Civil Servants receiving $1,200 a year or less, the Government becoming responsible for their superannuation fund dues amounting to five per cent. of their salaries, this leaving the deduction in their case five per cent. The legislation encountered strong criticism from the Opposition side, exception being taken to the exemptions and a graded cut being advocated instead of a flat deduction. Following the passage of the Bill, after prolonged and somewhat bitter debate, another Bill was passed imposing an extra Income tax levy on the classes of public servants exempted from the deduction.

All of the Opposition groups joined in criticism of this measure, much of it being on the ground that it would not bear equally on all classes, while by some it was described as unwise economy in that it would lower the purchasing power of a considerable section of the community and would serve as an example to private employers to cut salaries and wages. Mr. Woodsworth, Labour Leader, attacked it from the outset as class discrimination, asking, in the Debate on the Address, why there should not be a ten per cent. reduction in payments to bond and mortgage holders. The Agrarian Leader (Mr. Gardiner), while not objecting to the cut in sessional indemnities for Members of Parliament, considered that its applications to Civil Servants gave a dangerous lead to industrial and commercial employers, and was calculated to aggravate economic distress. Some difficulty was occasioned in the House of Commons through the Financial Estimates, with the ten per cent. deduction provided for, coming under consideration in advance of the Bill authorizing the cut. Thus, on Feb. 20, objection by Mr. Woodsworth and others to passing Estimates based on the deduction decision necessitated an early adjournment of the House for lack of business. The provision for payment out of the Consolidated Revenue Fund of the superannuation fees of lower grade employees, announced Feb. 21, was the only concession the Ministry would make to the protests. Certain organizations, representing Civil Servants, forwarded resolutions to the Government and sought the support of Members of Parliament for further modification proposals.

Introducing the Bill, Feb. 26, the Prime Minister held it to be a fair and proper means of economy. The Civil Service, to which as a body he paid tribute, could reasonably be asked, he felt, to make a contribution to their country in a time of need. Sentiment in the Civil Service to the sacrifice imposed was divided, but he found it gratifying that many civil servants were indicating not only a willingness but a desire to make the contribution to their country. Mr. Bennett estimated that $83,000,000 was the amount from which deductions would be made, the saving thus being $8,300,000 less the amount of superannuation fees to be absorbed by the Treasury. The number of permanent Civil servants, as on Jan. 16, was 36,500, while temporary employees made the total number 44,473, receiving $75,481,000; revenue postmasters, Ministers of the Crown, Members of Parliament, etc., accounting for the balance of the pay-roll. The Prime Minister informed the House that, when advised of the deduction proposal, the Governor-General had expressed a desire to be included in it, but he (Mr. Bennett) had urged against this. His Excellency, however, had insisted on making his contribution to the country.

Mr. Mackenzie King urged a graded cut in place of a horizontal one as being more just and equitable. Saying that the Governor-General had set a noble example, he suggested that Government Houses throughout the Dominion might well be closed altogether for six months in the year during a time like the present, as there was no reason why social functions should be kept up when people were finding it so hard to make a bare living. He thought there were other ways in which the Government might save money, referring to the investigation of the charges made by Hon. George Gordon against the Prime Minister as unnecessary.

The same day the Bill came up for consideration in the House the Prime Minister met a delegation from Civil Service organizations to which he stated

that the Government was making the cut as a matter of national necessity and did not think it unreasonable to ask the co-operation of the civil servants in helping Canada to weather the storm of economic conditions. He made it clear that the deduction was for a year only, and in reply to the contention that it bore more heavily upon the lower grades, he pointed out that the higher grades contributed through the Income tax. He stated that the Civil Service was greatly over-manned and would have to be reduced.

On Mar. 3, discussing the Bill, Hon. W. D. Euler, prominent Liberal Member and former Minister of National Revenue, offered as a suggestion worthy of consideration some time or other the idea of a capital levy "to wipe out this incubus of debt at once or over a period of years." Deficits could not be taken care of indefinitely by increasing the Debt or taxation; that would mean national disaster in the end. "If it can be done in a practical way, it might be a good thing for all concerned if we made a capital levy," he said, but did not advance this "as a serious suggestion at this time."

Objections to the exemptions from the Bill were continued throughout the Debate, the main part of which was concluded on Mar. 4 with the adoption of the principle of the Bill by a vote of 83 to 28, two Liberals and all the Progressive Members voting with the Government. On Apr. 6 Mr. Gardiner proposed an Amendment that would remove the exemptions from the cut. The Prime Minister refused to accept this Amendment and in doing so met objection to the exemption of Lieutenant-Governors by saying that their salaries were insufficient to meet the requirements of their position. One Lieutenant-Governor had informed him that he would have to leave his position if his salary were reduced. Some judges, Mr. Bennett said, had asked to be included under the Bill. On Apr. 15 the Opposition Leader protested against the deduction having been made from Civil Servants' salary cheques before the Bill was passed, the Minister of Finance replying that since a Supply Bill which recognized the cut had been passed the action was regular. It was May 16 before the Bill was finally passed by the House of Commons, and on the same day the Bill to impose an additional Income tax on the exempted classes was introduced.

In connection with the latter Bill a discussion took place regarding the Judiciary. Mr. Bennett expressed the opinion that it was over-manned and under-paid, that it did not reflect the genius of the legal profession. Low salaries, largely determined the calibre of men appointed to the Bench, while a certain amount of political patronage, for which no one Party was solely responsible, had not been a good influence. He favoured fewer judges and higher salaries. Hon. Ernest Lapointe maintained that the special levy was in violation of principles of British constitutional justice with respect to taxation, especially the principle of no taxation without representation. The Government had no right to impose the tax on judges since they were without the franchise to vote. Hon. Hugh Guthrie, Minister of Justice, agreed with some of Mr. Lapointe's arguments but pointed to a national demand for the measure. He insisted that it was entirely legal. The Bill passed the House of Commons on Mar. 17, and later the Senate gave concurrence after making certain Amendments in the wording.

Unemployment and Farm Relief

The subject of unemployment and farm relief occupied much more of the time of the Session than any other single matter. It was discussed in the open Debates on the Address and the Budget, on Amendments to Motions for Committee of Supply, on Motions to adjourn the House, and then at great length and exclusively on legislation dealing with the subject. The official Opposition, in fact, made their chief effort of the Session in connection with it. The greater part of this effort was in resistance to the extension of the 1931 Relief Act from the date of its expiration, Mar. 1, till May 1. It was on Feb. 26 that the Prime Minister made the initial Motion for this extension, debate on the question began Mar. 8 and was not concluded till Apr. 1, and then only under the application of closure for a second time.

For the most part, the stand of the Opposition was against what it held to be the usurpation of the privileges and powers of Parliament by the Cabinet. The determination of the Liberal Party to resist to the utmost of its ability this alleged departure from constitutional government was declared time after time by Mr. Mackenzie King, Mr. Ernest Lapointe, and other leading Members of the Opposition. Repeatedly Mr. King urged the Prime Minister to substitute a Supply Bill providing a fixed amount of money—any amount—to carry on relief for the Bill extending the 1931 legislation, assuring him that the Government would have the co-operation of the Opposition in expediting its passage. Failing this, the Opposition, he maintained, must refuse its consent to the Government's taking to itself the functions of Parliament while Parliament was in Session.

Mr. King's first stand against the extension measure was on the ground that since the Relief Act had expired Mar. 1, it could not be extended, being no longer in existence. It was impossible, he argued, to amend a dead Statute. He implored the Ministry not to provoke an issue or create a controversy by proceeding in the irregular manner proposed, asserting that the Opposition did not wish to delay for an hour the provision of money for relief purposes, especially in connection with seed grain assistance for the West. There was no need, he insisted, for any delay if the Government would but proceed in the regular way. "Why," he asked, "should Members of Parliament assemble here at all unless it be, amongst other things, to exercise some control over the expenditure of public moneys? This is the fundamental basis of everything we have in the way of responsible government. We cannot jettison the whole institution of responsible government just because the Prime Minister says it is going to be difficult for him to make up his mind what amount of money is needed."

The Leader of the Opposition clearly was very deeply concerned with the constitutional aspect of the matter, taking strong ground that the relinquishment by Parliament to the Cabinet of its functions and authority was a dangerous and unwarranted departure from British principles of responsible government, which would be justified, if at all, only in time of war. And even in war-time Sir Robert Borden, as Prime Minister, had never asked Parliament to do what Mr. Bennett was asking it to do when no emergent situation comparable to that of war obtained. Sir Robert, he pointed out, had met Parliament during the War and had asked it to vote the amounts of money he estimated would be required for specific purposes, being content to tell Parliament that he would call it in session again should the appropriations prove inadequate. All the Opposition asked of the Prime Minister in the present case was that he name any sum he wished and ask Parliament to vote it, and no obstacles would be placed in his way. Mr. King maintained this ground steadfastly throughout the three weeks of debate on the measure. At the outset, however, he was concerned about the irregularity of the proposal to amend a Statute that had lapsed, and he carried his objection to this to the length of an appeal from the Speaker's ruling that the Prime Minister's Motion for consideration by the House in Committee of the Whole of the Resolution on which the Extension Bill was based was in order. On division the Speaker's ruling was sustained, 101 to 65.

At the commencement of the Debate on this measure the Prime Minister accounted briefly for the stewardship of the Government in its administration of the Act of 1931. He was satisfied that the Government could not be successfully accused of the misuse of the wide powers conferred upon it by Parliament in that legislation. As much in the way of unemployment relief as it was possible to get had been obtained for the millions of dollars expended, and at the end of the period covered by the Act the Administration faced Parliament with a sense of pride in the fact that employment had been given to 300,000 men working 6,000,000 hours. He held that in the advances made to Provinces to enable them to defray their share of unemployment relief expenditures, and to discharge their obligations in New York, which they would not otherwise have been able to do, wise and proper use had been made of the unusual authority vested in the Administration. No Mem-

ber of the House would suggest that any other course should have been taken. Default by the Provinces of their obligations would have injuriously affected the credit of Canada and the future of the people of the country. Mr. Bennett expressed particular gratification with the handling of relief in the Province of Saskatchewan where large areas had suffered three successive crop failures, and where, out of a population of 900,000, no fewer than 300,000 people had to be provided with food. He praised the work of the commission which had administered this relief, pointing out that to the end of February $5,250,000 had been provided exclusively by the Dominion for this particular relief work, the Province not sharing the cost. Many of those assisted had insisted upon regarding the relief in the way of a loan, and thus it had come about that they had given promissory notes to the Saskatchewan Commission, about which considerable criticism had arisen. The obligations involved therein would be a matter for adjustment at some future time.

Defending the policy of the Government in securing from Parliament what had been termed a "blank cheque," Mr. Bennett stated that it had been vastly to the advantage of the country that such wide powers had been conferred on the Administration without any definite amount of money for relief having been named; had it been otherwise the Government could not have accomplished the purposes it had, he declared, without the expenditure of much more money. The course proposed by the Leader of the Opposition of having money voted in a Supply Bill would not, in the judgment of the Government, meet the situation. He was not without sympathy for the views of Mr. King, and so he proposed to provide that every Order-in-Council passed under the Act as extended to May 1 should be given to the House at the next sitting following its passing. It was clear, therefore, he maintained, that he had no desire to deprive Parliament of its right to criticize the actions of the Government with the utmost freedom. Illustrating how important to the national interest it had been for the Government to have the unusual powers reposed in it by the Relief Act, Mr. Bennett instanced the actions taken in regard to the revaluation of the securities held by insurance companies and to the restricting of the export of gold. As to the contention regarding the amending of an Act that had lapsed, Mr. Bennett held that the Resolution could be amended to meet the situation.

Mr. Woodsworth, Leader of the Labour group, made in this Debate one of several heated attacks on the Prime Minister and the Government in which he indulged on the subject of unemployment during the Session. Pursuing the theme of discrimination under the prevailing economic system and the policies of the Administration, he suggested that certain classes had been favoured in the matter of being able to exchange Dominion notes for gold. Criticizing the relief policy he said it was worse than the dole. It was, in fact, the worst kind of dole, the Government having no system or arrangement in the matter and not proposing any. He could not see why a large part of the population should be condemned to a condition under which they could do no more than keep body and soul together when there were still people whose wealth was indicated by beautiful homes in the large cities, and by bank balances and investments in bonds. The Labour Leader provoked cries of "Shame" from Conservative Members by referring to Mr. Bennett as "the millionaire Prime Minister surrounded by a heavy guard" who "actually undertook to lecture a few poor people because they are dubbed 'Communists,' and who come here almost in desperation and do not speak to him in the most polite language or do not prefer their requests in Parliamentary fashion." To Mr. Woodsworth it seemed as if the Government, sensing somewhat the issue, was determined at all costs to maintain the present system, to pay interest and dividends on bonds, no matter what happened to the people. He thought that a new policy had to be adopted by which the interests of men, women, and children would be placed before the interests of the bond holders and the financiers.

Day by day the resistance to the extension of the legislation was continued, with Opposition Members occupying most of the time and dwelling particularly on the main argument that the course of the Government amounted

to autocracy and dictatorship. There was, however, considerable criticism of the administration of relief, with charges of maladministration and political discrimination. Occasionally Members of the Cabinet and other Conservatives were moved to rise to the defence of the Government, but their share in the Debate was comparatively small. On Mar. 12 Hon. Peter Heenan brought forward a constructive suggestion, in the way of a general plan for an unemployment insurance scheme. As the basis for his scheme Mr. Heenan estimated the number of wage earners and low-salaried men in Canada at 2,000,000, the percentage of unemployed among these for four months of the year under normal conditions being about eight per cent. Leaving out those who would not be entitled to benefits, the unemployed would be seven per cent. He proposed a benefit fund to provide $30 a month for single men and $65 for married men which would, he estimated, require $80,000,000 to which $10,000,000 should be added for administration expenses. The fund would be raised from employees, employers, and the State in about equal shares.

On Mar. 15 Hon. H. H. Stevens felt it was well once in a while to bring the House back to the proposition before it, and he proceeded to state the Government's contention that there was nothing unconstitutional or savouring of dictatorship in the course being taken. At the previous Session the Prime Minister had placed his proposals before Parliament and by Parliament had been clothed with powers for carrying them out. Mr. Stevens believed that the manner in which these powers had been exercised by the Government could not properly be challenged. As a method of relieving the State of some of its financial problems, Hon. Ian Mackenzie (Lib., Vancouver Centre) suggested on Mar. 17 the cancellation of the tax exemption for certain Government bonds. Bonds to the aggregate value of $497,000,000 would mature between 1933 and 1937 and were tax-free. A tax of five and a half per cent. would bring the Federal Treasury $27,500,000. As the Debate continued to be prolonged Conservative Members began accusing the Opposition of engaging in a blockade of the legislation and of holding up relief for the sake of playing Party politics. Concern was voiced particularly in connection with the delay in the granting of authority to enable the Government to provide seed grain for the distressed farmers in the West. F. W. Turnbull (Con., Regina) urged the Opposition, Mar. 19, to "let us end this farce," declaring that "we are gambling with this year's crop in Saskatchewan;" farmers in that Province would be unable to obtain wheat for seeding until the legislation before the House was passed. Mr. Mackenzie King met these complaints about a blockade with a repetition of the Opposition's offer to support any regular money Bill the Ministry might introduce, and a reiteration of his Party's opposition to the "blank cheque" features of the legislation especially in their application while Parliament was in Session. Undismayed by Conservative professions of concern for the consequences of holding up the legislation, C. G. Power (Lib., Quebec South) followed Mr. Turnbull with justification of the Liberal attitude based largely on the personal characteristics of the Prime Minister. The Government pleaded expediency as a reason for its proposals; expediency had been the excuse of Germany in 1914 for invading Belgium. In the War 50,000 Canadians had made the supreme sacrifice in a fight to make the world safe for democracy, while fifteen years afterwards the last vestige of democracy was being destroyed in the House of Commons, Major Power argued. "I say to the Prime Minister that if he cannot, through Parliament, through the institutions established from time immemorial, settle the most important question now confronting the Canadian people, then he has no business in a free British country. The place for him is in some South American republic where he can be dictator at his will, or better still, in Italy or Russia." Mr. Power felt it necessary to consider whether the Prime Minister was the kind of person who could properly be entrusted with such wide authority as the legislation conferred.

Public interest in the prolonged Debate received a stimulus from outside the House of Commons when on Mar. 21 Hon. J. T. M. Anderson, Prime Minister of Saskatchewan, sent a telegram to Mr. Mackenzie King urging the passing of the Relief Bill before the Easter Recess. In this message

Mr. Anderson said: "In interest of thousands of Saskatchewan farmers, victims of national disaster through drought, respectfully urge your sanction of relief Bill before Easter Recess as indications are for early Spring, and provision of seed dependent upon passing of Bill." Mr. King replied the same day in a telegram to Mr. Anderson in which he said, "there is no relief Bill before Parliament." His telegram continued with the statement that there was a Resolution before Parliament to the effect that it was expedient to introduce a Bill to amend the Relief Act of 1931 which Act had expired Mar. 1. Dealing with this Act Mr. King's message proceeded: "It was passed to deal with situation while Parliament was not in Session, and amongst other features gave Government unlimited blank cheque power and power to legislate by Order-in-Council on anything under peace order and good government. Opposition unwilling to give these powers to Government while Parliament in Session, therefore opposed to Resolution referred to. Opposition has agreed, however, to vote for relief purposes any sum Government may request; also to guarantee so far as Opposition can, immediate passage of Bill for this purpose through House. If Government introduces measure any time before Easter Recess, Opposition will see that its undertaking to further immediate passage of Bill is carried out. Would strongly advise, in interests of farmers and other victims of national disaster, that Saskatchewan Government urges upon Dominion Government immediate adoption of a course which would secure immediate relief."

On Mar. 22 Hon. Robert Weir, Minister of Agriculture, intervened in the Debate to "move the previous question," a Motion which by some Members was regarded as a form of closure but which the Liberal Leader declared was the opposite of closure in that it renewed the Debate, giving Members who had already spoken a chance to speak again. Mr. Weir prefaced his Motion with complaint about the holding up of relief through the course taken by the Opposition. He suggested that the Leader of the Opposition, it would seem, wished to continue the Debate "to embarrass the people of Saskatchewan because they elected eight Conservative Members," a suggestion which Mr. King vigorously denied. Two front bench Liberals, Hon. Charles Stewart (Edmonton) and Hon. W. D. Euler (Waterloo North) met this move by a vigorous re-statement of the Opposition's attitude. The former knew of no precedent for the traditions of a free Parliament being trampled upon to the extent to which the Government was attempting to trample upon them. He had thought that one question had long ago been settled for time and eternity so far as British institutions were concerned, that question being the control by Parliament of public expenditure and of the making of law, but the Government was proposing to reopen it. Mr. Euler had been unable to find any reason advanced by the Government why Parliament should divest itself of its powers in the manner proposed.

Mr. Mackenzie King the same day reviewed the developments of the situation from the opening of the Session in support of a contention that the responsibility for the delay in the voting of money for relief rested solely on the Government. Whatever, for any reason, might have been necessary for dealing with an emergency while Parliament was not in Session, could not possibly apply when the Prime Minister had Parliament before him. It was making a mockery of Parliament to cause its Members to assemble to deal with a great question only to have them told that they were to be deprived of their rights, that they must delegate those rights to the Ministry. "It is for reasons like this, and for that alone, that we have taken the position we have. We shall continue and must continue to take it unless we are going to abandon for all time in this country the authority, the supremacy, the rights of Parliament and all that is associated therewith." Mr. King proceeded then to make a still more definite statement of what the Opposition was prepared to do in order to have relief provision made before the Easter Recess. He was prepared to undertake that the Opposition would agree to the suspension of the rules of the House to permit of the putting through of a Supply Bill for relief the following day. "I want the people of Saskatchewan to know to-morrow night beyond all possibility of mistake, if they have

to go through this Easter period without relief, who is responsible for the fact. They will know where the responsibility lies if the course I have suggested is not taken." Mr. King undertook further that the Opposition would abandon debate on a Liberal no-confidence Motion in order to clear the way for Supply. It would even facilitate the granting of money for relief not merely until May 1, 1932, but until Apr. 1, 1933, if the Government would indicate the amount desired. And as a final concession Mr. King said that if the Government were still insistent upon accomplishing what was sought through the medium of the legislation it proposed to revive, the Opposition would go so far as to support the Bill and help to get it through before Easter provided the "blank cheque" provision were replaced by provision for any amount of money, $10,000,000, $50,000,000, or $100,000,000, that might be deemed necessary and the clause giving the Government power to legislate by Order-in-Council in connection with peace, order and good government were removed.

The eve of the Easter Recess found the Commons still debating the question of whether it should go into Committee of the Whole to consider the Resolution preceding the extension Bill. The Prime Minister decided the Debate had lasted long enough and on Mar. 23 gave notice of closure. In doing so he reversed the argument so continuously used by Liberal Members and declared that the Opposition minority was attempting to dictate to Parliament, to override the will of the majority, to defeat the majority's purposes by a mere application of physical endurance. He went on to argue that there was no infringement on the powers of Parliament since it could only be by the will of the majority of Parliament that the proposed legislation could pass. He had observed no serious criticism of the manner in which the Government had exercised the powers reposed in it, nor had he heard anyone say that it should not have taken under these powers the important actions it had taken. He cited British precedents to refute the contention that the Government's course was unconstitutional. The offers of the Opposition Leader to assist in the putting through of a Supply Bill did not mean as much as they were intended to appear to mean, since any single Member of the House could at any time prevent the speedy passage of legislation and thereby delay the administration of relief. An important factor in this relief administration was promptness of action. The Liberal Party in the House, while calling the Government autocratic, was demanding that the Government should do what it proposed, was, in effect, attempting itself to be the dictatorial power. The people had decided in 1930 that the Liberal Party should not govern. In applying closure the Government was taking the only means open to it of seeing that the will of the majority prevailed.

Hon. J. L. Ralston met the closure Motion for the Opposition by asserting that it would not surrender its position, and on that note the House adjourned over Easter to meet again Mar. 29, when the Motion for closure was adopted, 83 to 40. The adoption of this Motion insured the termination of the Debate the same day and after further speeches the motion of the Minister of Agriculture for the "previous question" was carried, 107 to 58. Then at last Mr. Bennett's Motion for Committee on the Resolution reached a division, being carried, 100 to 64. In this division the ranks of the major Parties held solid while Members of the minor groups and independents were divided.

In Committee of the Whole the Resolution was soon passed, but when the Bill based on it, extending the operations of the 1931 Act to May 1, reached second-reading stage the Opposition resumed the fight. On Apr. 30 Hon. Ian Mackenzie (Lib., Vancouver Centre) dubbed the legislation "the Tory Government Dictatorship Perpetuation Act, 1932," and moved in amendment a Resolution submitting the proposition that the House had been from the commencement of the Session, and still was, ready to vote money for relief but that it could not surrender its right to maintain direct control over expenditure nor vest in the Government absolute and despotic powers under the guise of dealing with peace, order and good government, particularly while Parliament was in Session. The Motion was defeated, 100 to 64. Debate on

the Bill being again prolonged in Committee of the Whole, before adjournment of the House on Mar. 31, the Prime Minister again gave notice that he would invoke the closure rule, and the following day the Motion to that effect was carried. After a final protest by Mr. Mackenzie King against what he still insisted was the unconstitutional course of the Government, the Bill was passed. Mr. Bennett insisted on a division on third reading and the vote was 68 to 28.

Relief Measure, 1932. Provision for continuation of unemployment and farm relief was made in a new relief Bill, notice of the Resolution being given Apr. 26, and the Debate commencing Apr. 28. This Bill did not continue the peace, order and good government provision of the previous Bill which had been so bitterly criticized and to that extent was less objectionable to the Opposition. New features were a provision authorizing the Government to loan money to Provinces and to guarantee the repayment of money borrowed by Provinces, and a further provision authorizing the loaning of money from the Federal Treasury to any public corporation or undertaking and the guarantee of repayment of money by such. In commending the Bill to the House the Prime Minister stated that at a meeting of representatives of all the Provinces in Ottawa there had been an emphatic expression of opinion that no fixed amount of money for relief should be stated in the measure. He justified the provision for assistance to the Provinces on the ground of the necessity of maintaining the national credit, and this justification applied also in the case of the provision for assisting public corporations or undertakings. It was impossible to tell what the future might hold and it was important that the Government should be in a position to support the financial structure of the country. The Prime Minister explained that the term "public corporation" as used in the Bill meant a corporation whose shares and ownership were in the hands of the public as distinguished from private individuals. Mr. Mackenzie King at various stages of the ensuing Debate renewed his protest against the "blank cheque" feature of the legislation, holding it to be subversive of the powers of Parliament. The Opposition Leader went so far as to maintain that the powers necessary to insure the maintenance of the credit of the Dominion and the Provinces were vested under the constitution in Parliament and legally could not, by any enactment of Parliament under the constitution as it stood, be transferred to the Governor-in-Council. Parliament had not the power constitutionally to go beyond the terms of the British North America Act. Only by an Amendment to the Constitution could Parliament properly transfer control of public moneys to the Government. Replying to the criticisms of the Opposition Leader, Mr. Bennett suggested that he apparently continued to be oblivious of the fact that the world was passing through a crisis and that emergency conditions obtained. A heated encounter occurred when he was reminded by Mr. King's concern for the constitution of the constitutional issue raised in the Election campaign of 1926. Mr. King protested against his interpretation of the part of the letter he had written to the Governor-General, Lord Byng, at that time in connection with the resignation of his Government.

The Bill was given third reading in the House on May 12, 1932.

Radio Broadcasting: A National System

The Judicial Committee of the Privy Council having on Feb. 9 issued a judgment finding that the Federal authority had jurisdiction over radio broadcasting, on Feb. 16 the Prime Minister in the House of Commons announced the decision of the Government that action should be taken for the establishment of a national broadcasting policy. "Canadians have the right to a system of broadcasting from Canadian sources equal in all respects to that of any other country," he said, and declared the intention of the Government to have the House appoint a committee to inquire into the whole system of radio broadcasting and to advise upon the most satisfactory means of providing Canada with an ade-

quate service. On Mar. 2 a Committee was appointed consisting of Hon. Raymond Moran (Chairman), and Messrs. Wright, Beynon, Smith (Cumberland), Gagnon, Cardin, Euler, Ilsley and Garland (Bow River). This Committee met first on Mar. 8 and, between that date and May 9 when its Report was submitted to the House, held twenty-seven meetings during which it heard a vast amount of evidence and received many briefs, most of which were devoted to the pros and cons of the nationalization of broadcasting—the issue attracting much public interest. The Report of the Aird Commission (see *The Canadian Annual Review 1929-30*, pages 350-51) was not ignored but to a considerable extent was a foundation for the Committee's work. The Canadian Radio League was very active in bringing forward testimony in support of nationalization while this proposal was opposed by commercial radio interests and others. At the instance of the Radio League a representative of the British Broadcasting Company came from England to advise the Committee on the operations of national broadcasting there. In the end the Committee concluded that the weight of evidence was on the side of nationalization, and also that a state-owned system would best serve the public interest, and it reported accordingly. In its Report it regarded radio broadcasting "as a medium of education, thought provoking development, and the fostering of Canadian ideals and culture, entertainment, news service and publicity of this country and its products, and as an auxiliary to religious and educational teaching; also as one of the most efficient mediums for developing a greater national and empire consciousness within the Dominion and the British Commonwealth of Nations." Although paying tribute to commercial radio interests in Canada for their progressiveness, it was convinced that the existing system did not meet the country's requirements. It recommended the establishment of a chain of high-power national stations across Canada with subsidiary stations of lesser power and purely local stations serving areas not satisfactorily covered by the national stations. Being of opinion that this proposed national radio service should not add to the burden of the taxpayers, the Committee recommended that the system should be self-sustaining, the financial outlay upon it being confined to the amount of money available from transmitters' and receivers' licence fees and advertising income.

The Committee recommended that the national system be controlled and operated by a Commission of three, this Commission to be supported by assistant Commissioners representing the Provinces, the latter to be particularly concerned with programme work; and the Commission of three should be vested with all necessary powers for establishing and operating an adequate broadcasting system including power to acquire existing broadcasting stations and erect new ones, and to prohibit the establishment of privately operated chains of stations. The Committee further recommended that one of the first duties of the Commission should be the establishment of trans-Canada chain broadcasting by means of land lines as soon as possible; that all stations of 100-watt power and under, not required for the national system, should remain under private ownership but be regulated by the rules of the Commission; that advertising be limited to not more than five per cent. of each programme period; and that the development of Canadian art and artists be encouraged.

Coincident with the presentation of the Committee's Report the Prime Minister was able to announce that, in response to representations made through the Canadian Minister at Washington the United States Government had agreed to a readjustment of air channels necessary to the scheme proposed by the Committee.

The recommendations of the Committee were implemented in legislation which provided for the setting up of a Commission to be known as The Canadian Radio Broadcasting Commission whose three members were to hold office for ten, nine and eight years respectively and receive salaries of $10,000 in the case of the chief Commissioner and $8,000 for the other two. The Bill provided for the carrying out of the scheme for a national broadcasting service to be financed from moneys accruing from that service. Sponsoring the

Bill on May 18 the Prime Minister gave reasons why, in the opinion of the Government, a nationally-operated system would best serve the interests of Canada. First of all, he said, the Dominion must be assured of complete Canadian control of broadcasting from Canadian sources, free from foreign interference or influence, for without such control broadcasting could not become a great agency for the communication of matters of national concern and for the diffusing of national thought and ideals. The system which could most profitably be employed in this country was one that would respond most directly to the popular will and the national need. The radio had a place in the solution of problems having to do with national development. Furthermore, controlled and operated in the way proposed, it could serve as a dependable link in a chain of Empire communication. Only a national system, he held, would provide equality of service to all communities in Canada regardless of population. An additional consideration was that the air must be regarded as a natural resource and, with radio broadcasting only in its infancy, the Prime Minister did not think that any government would be warranted in leaving the air to private exploitation and not reserving it for development for the use of the people. The Bill received the support of all Parties in the House and was passed on May 24, subsequently passing the Senate and receiving assent.

[On Oct. 5, 1932, the following were appointed members of the Canadian Radio Broadcasting Commission: Hector Willoughby Charlesworth, Editor of *Saturday Night*, Toronto (Chief Commissioner and Chairman); Thomas Maher, Quebec (Vice-Chairman); and Lieut.-Col. William Arthur Steel, M.C., Ottawa.]

Monetary Matters: Inflation; The Gold Standard

Currency, credit and exchange questions were extensively discussed during the 1932 Session, interest being directed to them by reason of the economic depression. In addition to figuring prominently in the general Debates on the Address-in-Reply to the Speech from the Throne, the Budget, and the Unemployment Relief legislation, they were the subject of two Resolutions. Although these discussions did not lead to any immediate action, they revealed a keen interest in all parts of the House of Commons in the difficult monetary problems, provided a useful exchange of views, and served to acquaint the public more fully with the national financial situation at a critical time. The Agrarian and Labour groups were especially interested in these subjects, and throughout the Session were vigorous in the advocacy of measures which they believed would have the effect of raising commodity price levels. Particularly, they favoured abandonment of the gold basis, inflation of currency, and some system of "managed currency."

One of the two Resolutions dealing exclusively with the monetary problem was proposed by A. E. MacLean (Lib., Prince, P.E.I.); it set forth the proposition that "if the Empire is to become an economic unit, the stabilization of currency within the Empire is very important and should be one of the first questions for consideration on the *agenda* of the Imperial Conference." The other Resolution, moved by G. G. Coote (U.F.A., Macleod) proposed that the Banking and Commerce Committee of the House should inquire into the question of banking, currency and credit in Canada, especially as to the advisability of amending the Bank Act, to provide for the issuing of Dominion notes without relation to gold reserve.

Mr. MacLean explained that his chief purpose was to bring the very important subject before the House for consideration. He understood there was some objection to the suggestion of the Empire's becoming an economic unit but he did not see that there was anything new in that. While not professing to be competent to discuss the intricate subject adequately, he pointed to some of the disadvantages suffered by Canadian producers from the depreciated value of the pound sterling in relation to the Canadian dollar. Hon. E. N. Rhodes (Minister of Finance) said the Government was willing

to accept the Resolution, having no fault to find with the view that the stabilization of exchange would be of the utmost value in promoting inter-Empire trade and that the subject should be included in the *agenda* of the Imperial Conference. However, for the Agrarian group William Irvine (U.F.A., Wetaskiwin) put forward an Amendment to make the Resolution more specific in relation to the basis of stabilization. If a means could be found, he said, of stabilizing Empire currency on a basis other than gold it would be in control of Empire countries and they could not be drained of gold as Great Britain had been drained by other countries before she was forced to abandon the gold basis. A tremendous body of opinion had developed in favour of financial reform, great upheavals being attributed to the weaknesses of the financial structure of the world, and influential committees throughout the Empire had given their views as to the necessity of the abandonment of the gold standard and the organization of a financial system upon a strictly scientific basis and the substitution of a managed currency for "an unmanaged accident of stupidity known as the gold basis." He believed the end in view could be attained by the British Empire. The gold basis had been shown to be neither safe nor sane, because other countries, "by playing the gold game," could "bleed a country white, just as Great Britain was bled white by those who became panicky in respect of gold and withdrew their investments from Great Britain." A metal basis, his group held, was not needed in internal credit but gold could still be used in making up international balances. Mr. Irvine, seconded by the Leader of his group, Mr. Gardiner, moved in Amendment to the MacLean Resolution that the Canadian representatives at the Imperial Economic Conference should move for the stabilization of the currency of all British countries on a basis other than gold. Hon. H. H. Stevens (Minister of Trade and Commerce), speaking for the Government, objected to the Amendment only on the ground that it would tie the hands of the Conference as far as Canada was concerned by excluding consideration of gold as the basis of stabilization. He moved in Amendment to the Amendment, therefore, that Canadian representatives at the Conference should "initiate and support measures for the stabilization of the currencies of all British countries in such manner as to facilitate trade between component parts of the Empire and to promote economic unity therein." He argued that since low commodity prices were due to international factors it would require the efforts not only of Canada and the countries of the Empire but of the world to overcome them; pointing out that Canada must have a currency the value of which would be recognized the world over. There were four schools of thought among economists as to what type of currency should be used. Some supported the gold standard, some a paper currency provided merely by turning on the printing presses, some favoured a so-called managed currency, while others advocated a currency with a metallic backing of silver and gold. Among economists there was general agreement as to the insufficiency of the gold supply, the shortage amounting at the moment to about $100,000,000 a year in relation to currency. While departure from gold or a correction of the gold system would affect wide interests, he did not suggest that nothing should be done about it, but the situation could not be corrected merely by wiping out the gold standard and replacing it by a paper currency. "What is required is a currency which will remain reasonably stable, a currency that will be universally acceptable and one which will not fluctuate from day to day or from month to month." Those who advocated a paper currency were inviting fickleness and uncertainty in values. A difficulty with managed currency was in its working out; if it did not work to perfection the object was defeated. Gold currency was affected by the tremendous hoarding of gold. An argument advanced in support of a silver and gold basis was that it could not be hoarded or cornered, the quantity of the currency would be controlled by the general production of the metals. The principal requirement in any currency was universal confidence.

The Liberal Leader (Mr. Mackenzie King) found in the Stevens Amendment another case of the pursuit by the Government of its "blank cheque"

course. It was asking the House to give it authority to deal with the question of currencies at the Conference. He was not prepared to give it authority to initiate and support measures of which the House had no knowledge. The Ministry should bring into the House whatever measure it proposed to initiate in the Conference. He was also concerned about the term "economic unity," being mindful that there were those who coupled the idea of Empire economic unity with tariffs to render impossible trade with the rest of the world. The Liberal Party was opposed to any move based on that idea.

The Prime Minister (Rt. Hon. R. B. Bennett) spoke of the effect of Great Britain's going off the gold standard. "Few things have done more injury, using the word in a broad sense, than the action taken in Great Britain in going off the gold standard. As a matter of fact, it wrecked the financial structure of practically every country in the world except two, and the loss sustained by Canada and by other parts of the Empire was very, very great." What was now sought, what the Amendment aimed at, was consideration of means for promoting a stabilized currency or stabilized currency values, not necessarily in the same terms, for the whole Empire for the purpose of facilitating the transaction of business and the advancement of trade. Hon. Ian Mackenzie (Liberal, Vancouver Centre) said that those who were adhering to Liberal principles were not forgetful that the phrase "economic unity," although it sounded glorious, had a sinister origin. He favoured the substitution of some such term as "economic prosperity." G. G. Coote (U.F.A., Macleod) advocated that the value of the Canadian dollar should be allowed to depreciate until it was on a par with the pound sterling. With the value of the latter depreciated below Canadian currency Canadian producers selling in the British market sustained a heavy loss and were at a disadvantage in competition with producers in other countries with depreciated currencies.

The Resolution as modified by the Stevens Amendment was adopted. The Coote Resolution proposing an inquiry by the Banking and Commerce Committee, particularly with regard to the elimination of gold backing for Dominion notes, came up for discussion on Feb. 29 and provoked a more extended debate. The author of the Resolution maintained that credit was restricted by the gold backing requirement and that credit restriction caused lowering of price levels. He appealed for support to those interested in the preservation of the present capitalistic system which, he held, must collapse unless some other currency plan were adopted. The Banking and Commerce Committee should inquire whether interest on Federal, Provincial and other debts could be paid at existing price levels, and if not, how commodity prices could be restored to the levels of 1925 or 1926. He was not advocating unlimited inflation, but only the putting out of sufficient credit to raise price levels. Because he had had responsibility for administering the Finance Act under which the gold backing was required, the Prime Minister entered the Debate in order to call attention to certain factors in the situation. The law required a 25 per cent. coverage of gold for Dominion notes up to an amount of $50,000,000, while beyond that amount the requirement was a dollar in gold for every dollar of issue. A ten per cent. coverage of deposits in the Post Office Savings Bank was also required. Dominion notes outstanding to the amount of $99,382,805.69 required a coverage of $61,882,805.69 in gold, being 25 per cent. up to $50,000,000 and dollar for dollar for the balance. The Federal Treasury had this coverage and something like $5,000,000 additional in gold after the coverage for Post Office savings was provided. But other Dominion issues to an amount of $71,000,000 had no gold backing, so that the end sought by the Coote Resolution was already attained. Canada had a currency covered by gold up to roughly $100,000,000 and the balance covered by the resources of the country and the promise of the people to pay. A distinguished British economist had advised him, when Great Britain went off gold, that Canada should do likewise, but he had pointed to the obligations of the country maturing in New York, and subsequently the economist had changed his view and admitted that Canada could not formally abandon the gold standard. Canadian obligations maturing outside the country amounted to roughly $1,000,000 a day. Since 1929, when some $40,000,000

of gold had been shipped to New York, Canada had not been on the gold standard as the term is used in international commerce. But if the provision by law for a gold coverage of Canadian currency were repealed, the Canadian dollar might be worth 25 cents, Mr. Bennett said. The position taken by Canada, in respect of the gold standard, when Great Britain abandoned the gold basis, was that this country would continue to meet its obligations according to contract, to pay in gold where it had promised so to pay. That had been done and the Provinces had been assisted to meet their obligations. The modern view was that a coverage of 40 per cent. for all issues meant safety and Canada had virtually such a coverage for her entire $170,000,000 of notes outstanding. Her credit had been maintained. But for Great Britain's going off the gold standard the Canadian dollar would be worth practically par in New York. But it had been necessary to convert an unfavourable trade balance of $103,000,000 into a favourable balance in order to prevent the necessity of payment in gold. There were economists who said that the greatest single achievement by any country since the depression began had been the conversion by a country of 10,000,000 people of an adverse trade balance of over $100,000,000 into a favourable balance.

Coming to the question of internal credit, the Prime Minister considered the suggestion for a central bank. It was worthy of consideration whether a central bank might not offer rediscount privileges and opportunities somewhat larger than those provided by the Bank Act, especially in view of the presence beside Canada of the greatest credit organizations in the world. "It might be possible to make a closer association with them by reason of the fact that you would substitute for a government organization a central bank organization which would not be the Government itself but really an arm of Government. I want this House to understand that I am not expressing the view that a central bank is desirable. I am pointing out that the question is well worthy of consideration." It would, he suggested, be futile to expect a solution of the currency problem through a necessarily brief inquiry by the Banking and Commerce Committee, and he suggested that the Members of the House should themselves study the whole problem. In the meantime, nothing that had been suggested offered sufficient assurance and the Government would not sanction the substitution of the bald credit of the Canadian people for a credit sustained by $70,000,000 of gold coverage for the country's notes. It was not proper that the question should be thrown into the melting pot of a committee of Members of the House at the present time, the Prime Minister declared; the time for committee consideration would be at the next revision of the Bank Act. As no action was taken on the Coote Resolution, this view prevailed.

Rate of Interest; Question as to Merger; N.S.F. Cheques. H. E. Spencer (U.F.A., Battle River) introduced on Feb. 19 a Bill to amend the Bank Act to provide penalties for violation of the provision limiting the rate of interest recoverable by banks to seven per cent. The Bill was similar to one which had been defeated during the previous Session except that the proposed penalties were smaller, being placed at $500 in the case of the bank and $100 in the case of an officer of the bank violating the Statute. Mr. Spencer, sponsoring the Bill, was particularly concerned about the Statutes being kept inviolate. He told of surveys which showed interest rates of 8, 9, and 10 per cent. to have been charged by banks in the Western Provinces, and mentioned that the banks, despite poor business conditions, continued to pay their regular dividends. In the absence of the Minister of Finance, Mr. Bennett suggested reference of the Bill to the Committee on Banking and Commerce. He said the banks had given reasons why in some communities they had charged higher interest rates than 7 per cent. and had claimed that had they not done so they would have had to close their branches. He wholly agreed that the Statutes should be observed, whether by individuals or by corporations. The Bill accordingly was referred to the Banking and Commerce Committee which on Mar. 10 recommended that the Bill be not proceeded with, the Committee having been influenced by the fact that at

the next Session the decennial revision of the Bank Act would be made. In the House, Mr. Coote of Macleod moved to have the Bill referred back to the Committee for further consideration on the ground that owing to economic conditions it was important that the question should not be deferred. Mr. Spencer claimed the Bill had not had adequate consideration at the hands of the Committee. He argued that as the Bank Act had been recently altered by Order-in-Council there was no good reason why it should not be amended by Parliament. He claimed that small loans were being refused by the banks to farmers with ample security. R. C. Matthews (Con., Toronto East Centre), Chairman of the Banking and Commerce Committee, maintained that the Bill had been discussed by the Committee, that representatives of the banks were present to give evidence but objection had been made to their being heard by supporters of the Bill who claimed that if the banks were heard their customers should also be heard. The House declined, by a vote of 88 to 64, to refer the Bill back to the Committee or to consider it further in Committee of the Whole.

S. Factor (Lib., Toronto West Centre) inquired on Feb. 22 of the Minister of Finance if application had been received for permission for the merger of two Canadian banks. The answer was in the negative.

A Bill introduced by the Minister of Justice (Hon. Hugh Guthrie) to amend the Criminal Code to make it an indictable offence to issue in payment for goods cheques for which there was not sufficient funds in the bank was passed Mar. 8. The Minister stated that the legislation had been asked for by business interests. This Amendment to the Criminal Code provided that it should be presumed that articles were obtained with fraudulent intent unless it were established to the satisfaction of the court that the accused, when issuing the cheque, had reasonable grounds for believing it would be honoured.

Export of Gold; Possible Financial Crisis. The Minister of Finance (Hon. E. N. Rhodes) on Apr. 15 introduced a Bill to provide by Statute for regulating the export of gold under licence in the manner in which this had been done during previous months under Order-in-Council. The Bill was passed on May 2 without discussion.

The Prime Minister informed the House of Commons on May 17 that a Bill had been drafted which in some quarters it was urged should be passed in order to enable the Government to cope with "a possible financial crisis if such should arise on this continent," but this Bill was not introduced.

Social and Economic Research. On the understanding that the Government would be at liberty to act in accordance with its own judgment in the matter, the Commons, on Feb. 11, passed a Resolution presented by Alfred Speakman (U.F.A., Red Deer) proposing that ministerial consideration be given to the establishment of an organization which might be known as the National Council of Social and Economic Research to systematically investigate and scientifically study the problem of distribution and the kindred questions of purchasing power and exchange values and their relation to unemployment. Mr. Speakman's proposition was that since the problem of production had been so largely solved that of distribution and kindred matters should be approached along the lines upon which the National Council of Scientific Research operated. He advocated the marshalling of the best brains of the country to this end, and his Resolution was supported by other Members. Mr. Mackenzie King suggested that the National Research Council might be enlarged and empowered to deal with economic and social questions. Hon. H. H. Stevens was not convinced that the proposal was practicable. There was, he held, no short cut to the solution of the problems mentioned in the Resolution; they could only be overcome by slow degrees. He did not believe any general plan would meet the situation. He was prepared, however, to have the Resolution pass with the understanding that the Government was not bound to any action.

Bankruptcy Act Amended. A Ministerial measure, which contained proposals recommended by the Canadian Bar Association and by financial and commercial interests, making important Amendments in the Bankruptcy Act, was submitted to the House of Commons by Hon. Hugh Guthrie, Minister of Justice, and on Apr. 5 was referred to a Special Committee of which John T. Hackett (Con., Stanstead) became Chairman. After holding some fourteen sittings on the Bill, the Committee reported it with certain changes and the Bill passed the House on May 19, subsequently passing the Senate and receiving assent. The chief features of the Bill, which constituted the first important alteration of the Bankruptcy Act since 1921, were provisions for the appointment of a superintendent in bankruptcy and the licensing of trustees. The purpose of these provisions was to procure greater control over bankruptcy, eliminating abuses, and conserving bankrupt estates. The expense of the office of superintendent in bankruptcy would be borne by an assessment on the gross assets of bankrupt estates.

Three Insurance Acts. Important legislation dealing with insurance companies was passed during the 1932 Session in the form of three separate Bills which were sponsored by Rt. Hon. Arthur Meighen, Leader of the Senate. The Bills were very carefully reviewed by the Banking and Commerce Committee of that House. The general character of the legislation is indicated in the following summary prepared by the Superintendent of Insurance, Ottawa:

"The Insurance Act, Chapter 101 of the Revised Statutes 1927, was repealed and replaced by three Acts: The Department of Insurance Act, 22-23 Geo. V, Cap. 45; The Canadian and British Insurance Companies Act, 22-23 Geo. V, Cap. 46; and The Foreign Insurance Companies Act, 1932, 22-23 Geo. V, Cap. 47. The Department of Insurance Act is similar in form to other Dominion Acts creating Departments of the Government. The constitution and duties of the Department are not affected by the change in form of the new legislation. The Act sets forth the duties of the Department in the administration of the other two Acts above mentioned and, in addition, The Civil Service Insurance Act, The Loan Companies Act and The Trust Companies Act.

"The Canadian and British Insurance Companies Act, 1932, contains most of the provisions of the former Act applicable to Canadian and British insurance companies. The preamble to the Act declares that it is desirable to define the status and powers of insurance companies incorporated by the Parliament of Canada and by the Legislature of the late Province of Canada; to prescribe the limitations to be placed upon the exercise of such powers; to provide for the registration of such companies and of British insurance companies and associations which may desire to carry on the business of insurance in Canada and for the voluntary registration of Provincial companies. It points out the importance of the inter-Provincial and international trade arising from the operations of these companies; that it is contrary to the public interest that insurance companies which are unable to discharge their liabilities to policy-holders in Canada should be permitted to carry on the business of insurance in Canada and that it is desirable to provide by a system of inspection against such companies continuing to carry on business in Canada while unable to discharge such liabilities."

"The (1932) Act provides for the registration of all Dominion and British insurance companies transacting business in Canada. No such company is permitted to transact the business of insurance in Canada unless the company is registered and holds a certificate of registry from the Dominion. Provincially incorporated companies continue, as before, to be subject to the Dominion legislation only if they voluntarily avail themselves of its provisions. The Act provides that such companies may be registered, in which event they become subject to the provisions of the Act applicable to Dominion companies except such as might have the effect of enlarging the corporate powers or rights of any Provincial company under its constating instrument.

Penalties for the transaction of business without registration under the Act are fixed at an amount not exceeding $100 in the case of a Dominion company and not exceeding $5,000 in the case of a British company, and, in the case of a natural person acting on behalf of an unregistered company, imprisonment for any term not exceeding six months.

"Certain sections of the repealed Act prescribing substantial provisions to be included in life, accident and automobile insurance policies have been omitted from the new Act.

"Important changes have been made in the investment powers of Dominion companies. Mortgage bonds to be eligible for investment must be fully secured by a mortgage upon real estate, upon the plant and equipment of the issuing corporation used in the transaction of its business or upon securities owned by such corporation of a class or classes authorized by the Act as investments for insurance companies. In the former Act the mortgage might cover real estate or other assets without restriction. The provision in the former Act that common stocks might be qualified as to any year of a seven-year dividend period by the payment in such year of dividends to the amount of not less than $500,000 regardless of the relation of such amount to the number of shares on which it was paid, has been deleted from the (1932) Act. Common stocks are now eligible for investment only if dividends of 4 per cent. per annum, or $4 per share in the case of no par value stocks, has been paid continuously for seven years preceding the date of investment. No company is permitted to invest in common stocks an amount in excess of 15 per cent. of the book value of the total ledger assets of the company. Any company having on hand at the date of the coming into force of the Act, investments in common stocks in excess of the said percentage, is prohibited from investing further in common stocks until the percentage so invested has been reduced to 15 per cent. or less of its ledger assets.

"The preamble to The Foreign Insurance Companies Act, 1932, sets forth the fact that the Parliament of Canada has jurisdiction to prohibit aliens, whether natural persons or foreign companies, from carrying on the business of insurance in Canada without a licence; that the insurance business of such companies constitutes an important factor in the international trade and commercial relations of Canada; that the experience of the past has shown that but for the deposit and other requirements of former legislation, policy-holders in Canada of such companies which had become insolvent would have sustained serious loss, and that it is contrary to the public interest that such companies which are unable to discharge their liabilities to policy-holders in Canada should be permitted to carry on the business of insurance in Canada.

"Provision is made in the Act for the registration of foreign companies transacting business in Canada. No such company is permitted to carry on business in Canada unless it is registered and holds a certificate of registry from the Minister. Penalties for violation of the Act are the same as in the case of British companies."

Control of Companies. Much attention was attracted by views expressed by the Prime Minister on May 2 regarding greater control of companies and stock issues. Mr. Bennett spoke in connection with a Bill introduced by the Secretary of State to amend the Companies Act, the purpose of which was to clarify the situation in respect of the registration of assignments of book debts and to remove any doubt that registration at a local registry office was effective without duplicate registration at Ottawa. A suggestion being made by Hon. Charles Stewart (Lib., Edmonton) that there should be additional control over the issue of stock by companies doing business under Federal charters, Mr. Bennett pointed to the danger of State liability being involved if permission to issue were granted. He pointed to the difficulties in the way owing to conflict of jurisdiction as between the Dominion and the Provinces. Mr. Bennett believed there should be some machinery by which the Federal Government could maintain prosecutions for violations of Federal Statutes in place of such prosecutions being entirely in the hands of the Provinces. Some of the difficulties might be overcome if

Canada had a public prosecutor charged with responsibility for the administration of justice in respect of Federal Statutes. On the question of the capital structures of companies he was satisfied that some method must be devised for controlling reorganization of enterprises as it had been going on in this country. He pointed to the case of companies finding themselves with several times the capitalization they formerly had and therefore seeking additional earnings to provide dividends and thereby disappointing the hope of the public of getting their products more cheaply. When normal conditions should return it would be essential for the maintenance of the country's commercial life to secure as far as possible uniformity with respect to the incorporation of companies as between the Dominion and the Provinces, and also that the reorganization of companies should be controlled. When enterprises with small capital had been able to make good progress they must be prevented from issuing enormous water-logged securities. He believed some means by which action could be taken should be sought by conferences between the Provinces and the Dominion, and if normal times returned while he was in office he proposed to call such a conference. The Bill, an Act to Amend the Companies Act, was passed on May 4 (1932).

Plans for the Imperial Economic Conference

The Imperial Economic Conference, which was to meet in Ottawa in July, 1932, figured in several Debates in the House of Commons throughout the 1932 Session, and questions to be considered by the Empire countries were studied by a Standing Committee of the Senate. Toward the end of the Session provision for the expenses of the event were made in the Estimates. On Mar. 31 the Prime Minister (Rt. Hon. R. B. Bennett) informed the House that the date of the opening of the Conference had been fixed as July 21 instead of July 18 as had been previously proposed. On Feb. 12 the Leader of the Opposition requested that the Prime Minister supply the House with the *agenda* for the Conference as soon as possible, saying that the Opposition was anxious to co-operate as far as possible in the work of the Economic meeting. Mr. Bennett did not know that the *agenda* would be available at all before the opening day; it had not been the practice of the Governments of Great Britain to produce an *agenda* before a Conference except in a most general way. Several times thereafter, Mr. Mackenzie King asked for the *agenda* and protested to the Prime Minister about the latter's attitude in respect of giving the House information as to what was to be brought before the Conference and what policies and proposals the Government intended to take into the gathering.

A general discussion on the Conference took place on May 10 and subsequent days in connection with the appropriation for the expenses of the July event ($250,000, later increased to $300,000). The Prime Minister stated that it was not his intention to indicate what the Government would do when the time came or how it would conduct the business of the Conference. He acknowledged and was grateful for expressions of a desire on the part of Liberal Members to be of assistance but recalled that their contributions had largely been in the form of criticism of the Government. To a question from Hon. Ernest Lapointe, Mr. Bennett said that the proposal he had made at the 1930 Conference for an Empire preference based on a ten per cent. increase in prevailing general tariffs or tariffs to be created had been offered by way of illustration as to what might be done and for the purpose of supplying a basis of discussion. It was not intended to be a hard and fast proposal. A difference of opinion developed between Mr. King and Mr. Bennett as to whether the 1932 Conference was to be a separate Conference in itself or a postponed session of the 1930 Conference. Mr. King maintained that it was an adjourned Conference, a postponed session. Mr. Bennett said he was indifferent as to how it should be regarded on that point, although he held it was not an adjourned Conference. On his Motion the 1930 Conference had adjourned to meet at Ottawa within twelve months but it had not met and after the General Election in Great Britain in 1931 he had invited the

Empire Governments to a Conference in Ottawa. But he did not care whether or not he had the credit for having arranged this year's Conference. There were, he said, thoughtful men and women in the country belonging to the Liberal Party who were every day making timely suggestions as to how success could be made of the Conference, who were not thinking in terms of Party, but such contributions to discussion as that of the Leader of the Opposition were neither helpful nor constructive, being but criticism. Mr. King replied that in arguing that the Conference was adjourned from 1930 he was merely seeking to have the historical record correct. He would leave it to the House to judge from the record as to who was claiming undue credit. Mr. Lapointe expressed the opinion that the Government was wrong in assuming that the National Government in Great Britain was protectionist. The proposal of Mr. Bennett at the 1930 Conference could not bring success and he was glad he was not holding to it as a hard and fast policy. The Conference negotiations should be on the basis of mutual benefits, not on that of bargaining, not on anything that should be a fetter instead of a tie. He did not like the term economic unit; an economic union of the Empire would mean an economic group against the rest of the world. The Empire must not stand or fall because of the tariff; union between the British nations must not be based on tariffs or preference.

On Mar. 31 the Prime Minister called attention to a newspaper report that the attitude of the De Valera Government of the Irish Free State toward the oath of allegiance might prevent that Government from being permitted to sit in the Conference. In refutation of this, Mr. Bennett thought it sufficient to point out that on Mar. 17 cables had been sent to the various Governments asking if July 21 would be a satisfactory date for the opening of the Conference and that a reply had been received, among others, from Mr. De Valera as Minister of External Affairs of the Free State, expressing the thanks of his Government for Canada's offer of hospitality and indicating that it would be represented by delegates and staff to the number of about twelve. Mr. Bennett said he made this statement in order to undo as quickly as possible any injury that might be done to the position of Canada by the newspaper despatch.

On May 24, in connection with the Bill increasing the Excise tax on all imports Mr. King made a final appeal to the Government to indicate to Great Britain that it was not approaching the Conference entirely in a bargaining spirit. He proposed that the Government should amend the Bill so as to exempt from the tax imports from the Empire, thereby making it self-evident to all parts of the Empire and to the world at large that Canada desired to further inter-Imperial trade by preferences. "May I say to the Government that 'now is the day and now is the hour.' This is Empire Day." Action of the kind he suggested would create a very favourable atmosphere for the purposes of the Conference. Mr. King declared that all parts of the House would support such action, and it would go out to the whole Empire as a declaration from Parliament that all Parties were united on a policy of Empire preference. Mr. Bennett characterized the suggestion as "fine talk," calculated for external consumption. "There has not been a single moment since this Conference was suggested that honourable gentlemen opposite have not in every way in their power belittled it. They followed that course until they found it was an actuality. Now, confronted with the fact that it is an actuality, they are endeavouring to make political capital out of it." If it was the desire of the Leader of the Opposition to prostitute the glorious traditions of a great holiday for the purpose of making political capital out of it he was content. No such change as that proposed would be made in the Bill.

Questions for Discussion. In the Report of the Standing Committee on Commerce and Trade Relations of the Senate (Session, 1932) covering questions to be discussed by the Economic Conference in July it was stated, with regard to the beef export trade, that the evidence taken before it (the Committee) indicated the difficulties of establishing what was

in reality a new trade; that an established trade required an adequate and regular supply, a market which would absorb that supply, and proper facilities in the way of transportation. In the cattle export trade, while the quality of Canadian beef cattle was excellent, the trade had suffered from two causes: (1), uncertainty of supply at the times it was necessary to arrange for ocean tonnage, and (2), certain regulations which Canadian shippers claimed were onerous, expensive, and unnecessary and which gave an undue advantage to Canada's chief competitor, the Irish Free State. For example, British regulations required cattle from Canada to remain on the feed lots for twenty-eight days; those from the Irish Free State, only six days. This, the Report explained, gave the buyer of Irish Free State stock the advantage of turning over his capital four times in the period of one transaction had he selected Canadian cattle. With existing low prices there was no inducement to increase herds, with no reasonable prospect of selling them at a profit, but if the connection with the British market was to be retained, the expense and risk of keeping that connection alive should not fall on the individual shipper. The Report continued: "Your Committee trust that some arrangement, through a pool, or a marketing board, may be developed which would equalize the risk and keep alive a connection which, in the coming time of revived business activity, would provide a valuable outlet. The same may be said of bacon." With regard to Canadian barley, the Committee stated that there was a growing demand for it by British brewers who had found the Canadian product suitable for blending with the English barley in the malting of light beer which was rapidly gaining favour in Great Britain. It had been found that the soil of Prince Edward Island and the Swan River district of Manitoba is particularly suited to the quality of barley required. Efforts were being made to capture some of the barley trade now going to California, but "as British buyers will not trade unless a sufficient and continuous supply of uniform quality is forthcoming," it was recommended that encouragement be given to the growing of barley in Canada and to the fostering of this trade.

Unlawful Assemblies; Other Discussions During the Session

On Feb. 22 (1932) Mr. Woodsworth (Lab., Winnipeg N.-C.) sought leave to introduce a Bill to amend the Criminal Code in respect of Section 98 (dealing with unlawful assemblies). The Prime Minister (Rt. Hon. R. B. Bennett) provoked some protest by taking the unusual course of opposing the introduction of the Bill. Mr. Woodsworth explained that the Bill was similar to Bills which had passed the House of Commons and been rejected by the Senate at five previous Sessions. Section 98 had been placed on the Statute books in 1919 and he held that it could be used to restrict organized labour. He claimed that it gave the police unwarranted power. Mr. Bennett denied that lawful assemblies were prohibited or restricted under the Section and referred to the confirmation by the Supreme Court of Ontario of the conviction of certain men found by a jury guilty of offence against the law, "the jury having found that in this particular instance the direction came from Moscow and that violence and force were to be utilized." The Motion for leave to introduce the Bill was negatived, 72 to 49.

On Mar. 7 Mr. Woodsworth introduced another Bill, "to clarify or remove some of the more objectionable Sub-sections of Section 98." It proposed, among other things, to remove from persons accused of being members of unlawful associations, the burden of proof of their innocence, and to modify the provisions concerning the possession of unlawful literature. Leave to introduce in this case was granted without objection but the Bill was defeated on motion for first reading, the vote being 70 to 52. Some five Conservatives from constituencies with a large labour element voted for the Bill.

Mr. Woodsworth's first move in the matter synchronized with the arrival in Ottawa of a considerable number of persons purporting to represent the unemployed. They were received in the Parliament Building by the Prime

Minister and members of the Government and presented certain "demands," among them that the Government provide non-contributory unemployment insurance and that they take steps for the release of the men imprisoned under Section 98 of the Criminal Code. Mr. Bennett replied that no Government of which he was a member would establish non-contributory unemployment insurance and that the law would be upheld in the case of Communists.

Subsequently, in the House of Commons Mr. Bennett explained that his opposition to the introduction of the Woodsworth Bill had been due to a conviction that the Government and Parliament should not do otherwise than present a firm front to demands made in the terms in which the release of the convicted Communists had been phrased. It was reported at the time the Prime Minister refused to permit the introduction of Mr. Woodsworth's first Bill that he had received letters threatening him with violence unless he had the Communists released.

Bonus to Wheat Growers and Fishermen; Grain Freight Rates. On several occasions during the 1932 Session the matter of a bonus to Western wheat growers came to the fore. Much of the discussion was as to the relative merits of a bonus of five cents a bushel on all wheat grown, as was paid on the 1931 crop, or, as an alternative, a bonus of one dollar an acre on all land seeded to wheat. Supporters of the latter proposition maintained it would be fairer than the other in that it would benefit all who sought to grow wheat, whereas those who suffered crop failure received no benefit from the 1931 bushel bonus. In the end, however, the discussions proved to be to no purpose, for no provision was made for a bonus or subvention of any kind. Robert McKenzie (Lib., Assiniboia) provoked a Debate which lasted two or three days by a Resolution proposing that the Government should give consideration to "a more equitable and less discriminatory" method of assisting the Western farmers than the bonus on a bushel basis. The Debate disclosed divided opinion among Western Members. Milton Neil Campbell (Prog., Mackenzie) supported the bushel bonus whereas his Leader, Mr. Gardiner, held it to be unfair to those who sustained loss of crop. Most of those who favoured the Resolution used the same argument as Mr. Gardiner. The general relief to Western farmers also figured in the Debate, some Opposition Members charging maladministration and protesting against the taking of notes from those receiving relief. The Prime Minister and others pointed out that many farmers who received relief desired to give assurance of their intention to reimburse the Government. Hon. Robert Weir, Minister of Agriculture, spoke of the difficulties of the relief problem and the efforts of the Government to assist the distressed farmers. The Minister of Trade and Commerce (Mr. Stevens) stated that the cost of administering the wheat bonus had been $107,000, about one per cent. of the cost of bonus. The McKenzie Resolution was declared lost without a recorded division. Later in the Session the question came up again, Mr. Gardiner moving for continuation of the bushel bonus and Thomas Donnelly (Lib., Willow Bunch) proposing a bonus on an acreage basis. Both proposals were negatived. A little later, the Government, through the Minister of Finance (Mr. Rhodes), refused to consider a suggestion from the Liberal side that the fishing industry be bonused.

Party lines disappeared on two occasions in the Commons when questions of freight rates on grain came up, Ministerial and Opposition Members joining in pleas for lower rates. In one case the plea was for lower rates between points in Canada. It came up on a Resolution calling for lower domestic rates to the Pacific coast moved by Ernest E. Perley (Con., Qu'Appelle). The Resolution received support from both sides of the House. Hon. R. J. Manion, Minister of Railways, admitted the discrepancy between domestic and export rates, but he pointed out that the position of the railways merited consideration. The railway companies claimed they should be allowed to increase the export rate, and held that rates equal to those obtaining in the United States would enable the railways to earn many millions of dollars of additional revenue. A reduction in domestic rates to the level of export

rates would have cost the C.N.R. alone $1,600,000 in 1931. The Minister said that in due course the appeal of the Western Provinces from the decision of the Railway Commissioners refusing to lower domestic rates would be heard by the Government. The Prime Minister said it had been found impossible to fix a date for the hearing of this appeal satisfactory to all the Provinces. Subsequently, Maritime Province Members of both parties joined in advocating a reduction of grain rates to Atlantic ports to the level of rates to Quebec. This followed the presentation of a petition to the Government signed by Maritime Members of both Houses urging the case of the Atlantic ports. The Maritime Provinces were appealing to the Government from the refusal of the Railway Commission to allow the Ports of Halifax and Saint John the same or nearly the same rates as those to the Port of Quebec. Mr. Stevens, on whose departmental estimates the discussion came up, expressed the hope that the question would be solved before another Session of Parliament. He said the present and other Governments had endeavoured to encourage the movement of grain through Canadian ports but in the end it was the purchaser of the grain who controlled its direction. Hon. James Malcolm, former Minister of Trade and Commerce, cautioned against drastic steps looking to an all-Canadian movement of grain to the seaboard, because it might lead to retaliation from the United States. The existing reciprocal movement of grain between the two countries was mutually advantageous, he said, pointing out that Canadian ports benefited by the movement through them of goods coming from and going to the United States.

Life Assurance Companies. Michael Luchkovich (Prog., Vegreville), on Mar. 14, moved a Resolution, based on certain charges appearing in *The Journal of Commerce,* Gardenvale, Quebec, regarding the Sun Life Assurance Company and the North American Life Assurance Company. The Resolution called for an investigation by the Trade and Commerce Committee into the business transactions of these companies, especially in relation to their investments in common stocks. While the Resolution received some support, leading Members on both sides of the House strongly opposed it. Mr. Bennett deplored the introduction of such a Resolution, declaring that the attacks on the companies were malignant and malicious and that both companies were entirely solvent. The Sun Life Company, the Prime Minister pointed out, did business in many countries and many States of the United States and was, therefore, subject to strict inspection beyond that imposed by the Canadian Government. The Government, he declared, would not sanction any investigation, entirely unnecessary, which would have the effect of unsettling the public mind. Mr. Bennett said that at his request the Sun Life had limited and greatly reduced the proportion of its common stock holdings. In authorizing the insurance companies to revalue their securities the Government had followed exactly the same course decided upon by 47 States of the United States. The Prime Minister said that it might be desirable at some time in the future, when conditions had steadied and fluctuations were less marked, to have a calm and dispassionate investigation of the whole business of insurance in Canada. He was hopeful that some of the Provinces, uniting with the Dominion, would agree that it was in the public interest to have a central control of insurance rather than separate control by each Province. M. F. Hepburn (Lib., West Elgin) maintained that the Sun Life Company was insolvent and that sums of money had been diverted to shareholders which should have been credited to policyholders. Hon. C. H. Cahan, Secretary of State, denied these assertions. He believed the Company to be as solvent as any insurance company in North America, and he pointed out that its liabilities did not fall due at the present time, when its securities were depreciated in value, but from five to forty years hence. Hon. J. L. Ralston (Lib., Yarmouth-Shelburne), former Minister of National Defence, also took issue with the statements of Mr. Hepburn. He agreed with the views of the Prime Minister and Mr. Cahan as to the solvency of the Company and contradicted statements as to diversion of funds. Of profits, 95 per cent. was paid to policyholders in the reduction of

premiums and five per cent. went to shareholders, the shareholders also receiving profits from non-participating policies.

No action was taken on the Resolution.

Labrador; Montreal Harbour Bridge; Coastal Shipping. Correspondence covering an offer by the Government of Newfoundland to sell Labrador to Canada was tabled in the House of Commons on Feb. 17. It revealed that Newfoundland's proposal was that Canada should, in exchange for Labrador, take over the Funded Debt of Newfoundland, amounting to approximately $87,000,000, and make an immediate cash payment of $13,000,000 and a subsequent payment of $10,000,000. The Prime Minister had advised the Newfoundland Government that there was little likelihood of Canada's being in a position to consider the offer.

The Prime Minister on May 16 declined to comply with proposals of Progressive and Labour Members that an investigation be held into the cost of the Montreal Harbour Bridge, which had exceeded the estimate by many millions of dollars. Mr. Bennett said that all moneys spent had been accounted for by vouchers. One reason for the excess cost was that the steel specifications had been revised, another was that the prices paid for real estate were higher than had been estimated. Two or three persons who might be able to give information were dead. The Government did not desire to conduct investigations merely for the purpose of mud-slinging and without any useful purpose in sight.

On May 6, on motion of Hon. Alfred Duranleau, Minister of Marine, first reading was given to a Bill to govern coastal shipping and patterned after American legislation. It was designed to prevent the shipment of Canadian grain in foreign ships from a Canadian port to a foreign port for transshipment in another foreign vessel to another Canadian port, as is the case in much of the grain traffic from the head of the Lakes to Buffalo and thence to Montreal. The Bill also provided that for British ships to be entitled to engage in the coastal trade 75 per cent. of ownership must be in British hands. The Bill, however, was not proceeded with, it being explained later in the Session that there were difficulties in the way of the legislation, especially in connection with the employment of Canadians on American vessels.

National Railways Expenses; Other Committee Inquiries

The Radio Inquiry was only one of an unusually large number of investigations conducted by Special and Standing Committees of the House of Commons and which constituted an important part of the business of the Session of 1932, leading, in some cases, to recommendations of considerable consequences and also to legislation affecting the Public Services. Thus, the Railways and Shipping Committee explored expenses in connection with the management of the Canadian National Railways and proposed additional economies; the Privileges and Elections Committee considered the question of election campaign funds, an aftermath of the Beauharnois investigation of 1931; the Banking and Commerce Committee inquired into gasoline prices; and the Agricultural Committee, into the grading of garnet wheat and the sugar beet industry. A Special Committee of the Senate investigated the conduct of three Senators in connection with the "Beauharnois Scandal" (See Sub-Section: "Beauharnois and Government Action"). The Standing Committee of the Senate on Commerce and Trade Relations of Canada made a study of questions to be discussed by the countries of the Empire invited by the Prime Minister of Canada to meet in Ottawa in July (1932). Two Special Committees of the Commons, other than that looking into the Radio question, inquired, respectively, into the operations of the Civil Service Act, which resulted in important decisions, and into charges made outside of Parliament concerning the integrity of the Prime Minister of Canada.

The Select Standing Committee on Railways and Shipping, under the Chairmanship of R. B. Hanson (Con., York-Sunbury) devoted, as in 1931, much of its time, during the 1932 Session, to an inquiry into the operating

expenditures of the Canadian National Railways, particularly in respect of the salaries and expenses of executive officers. The Committee held eighteen public meetings in the course of which many witnesses were examined, including directors and executive officers of the Railways. Its Final Report was presented to the House of Commons on May 20.

The Committee reported a Bill, authorizing the Railways to raise $11,372,498, by which sum the C.N.R. Financing Act, 1931, sanctioning the raising of $68,500,000, was insufficient for the requirements of the year. Regarding the Bill authorizing the raising of $61,500,000 for the requirements of 1932, the Committee commented upon the fact that despite reductions in operating expenses, estimated by the management at $28,000,000 for the years 1931 and 1932, the System would still be far short of meeting interest on Funded Debt due the public amounting in 1932 to $56,849,244, an increase in twelve months of $1,634,267. It was observed that according to the Annual Report of the Company the net additional Capital Expenditure for the nine years from Jan. 1, 1923, to Dec. 31, 1931, amounted to $419,669,620, which imposed an additional burden annually of $20,936,821. In view of this situation the Committee strongly recommended that until there was marked improvement in earnings, Capital Expenditure should be limited strictly to barest necessities, always consistent with efficiency. The Committee, in view of the rapid decline in Operating Revenues, also recommended the most stringent economy by the management in all controllable Operating Expenditures, and it was in this connection that salaries were dealt with. A horizontal cut of ten per cent. for all officers receiving $4,000 or over, effective July 31, 1931, had resulted in an annual saving of $545,652, affecting 828 officers. The Committee agreed with the Board of Directors that specific rather than further horizontal salary reductions should be made, being of opinion that salaries paid to high officials were excessive and should be substantially reduced, also that the number of highly paid officials should be curtailed. The salary and other emoluments received by the President of the Railway, which had occasioned much discussion in the Committee, came under review in the Report. The Committee pointed out that under the terms of his contract the President was to receive a salary of $75,000, without any extra fees or remuneration of any description. The President, however, was still in receipt of an additional $5,000 fee from the Ontario Car Company and the special annual allowance for expenses not to be specifically accounted for, approved by the Board of Directors in 1929, amounting to $15,000. The Committee recommended that the $5,000 fee be again considered by the Directors with a view to its cancellation and that the special allowance be reviewed as being inconsistent with the terms of contract. Special attention was given to the matter of expense accounts of executive and other officers of the Railway, a sub-committee conducting a special investigation. Stricter supervision of all expense accounts was urged in the Report to the House, with these accounts, whether submitted by the President or any other official, being strictly limited to business purposes. The Committee felt that the Board of Directors was the body best qualified to deal with this matter. The provision of an official residence for the President of the Railway at an annual cost to the Company approximating $20,000, provoked severe criticism in the Report. This provision was made under resolution of the Board of Directors dated Sept. 23, 1929, authorizing the leasing for ten years of a residence in Montreal. The Committee came to the conclusion, having regard to evidence adduced respecting the transaction, and to the terms of the President's contract limiting his remuneration for all services to $75,000 a year and reasonable out-of-pocket expenses, that the leasing of the residence appeared to be in contravention of the contract and, even if legal, was unwise and should not have been authorized. The Committee criticized the former Board of Directors for putting through the transaction, which it regarded as a successful attempt to do indirectly what could not be done directly by expenditure on Capital Account, and it proposed that the matter be investigated with a view to ascertaining its legality and if possible obtaining its recision.

The Committee recommended additional supervision and control by an enlarged finance committee of the Board of Directors of Capital and Operat-

ing Expenditures. Finding that passenger offices in the United States were not securing a volume of traffic commensurate with their cost the Committee proposed that the question of the maintenance of such offices in New York and elsewhere should be reviewed by the management and directors. While agreeing that the estimated deficit of $440,000 for the year 1932 in the operation of the Canadian Government Merchant Marine should be provided, the Committee reiterated the view that the Government should, if possible, abandon the policy of operating this merchant marine and should endeavour to sell or lease the fleet. While it was noted that $820,000 would have to be provided for deficits in the operations of the Canadian National (West Indies) Steamships, the Committee was of opinion that this steamship service should be continued, but with every possible economy.

Anticipating the early presentation of the Report of the Commission on Transportation the Committee submitted that it should be studied with the greatest care not only by the Government but by the people so that the views of the Commission might be thoroughly understood and if deemed advisable given effect to at the next Session of Parliament.

The Report, being unanimous, occasioned very little discussion in the House before its adoption.

Subsequently and partly at least as an outcome of the Committee's Report, Sir Henry Thornton resigned as President of the Canadian National, announcement of his resignation being made by the Minister of Railways (Hon. R. J. Manion) on July 19, 1932. The announcement quoted Sir Henry's letter of resignation to the effect that criticism to which he had been subjected indicated that complete confidence in the management of the System, necessary to its success, was at least not general, and that in view of economic conditions and of the fact that the transportation situation was being reported upon by a commission he felt he should resign. His resignation was accepted and S. J. Hungerford, Vice-President in charge of operations, was made Acting President and subsequently appointed to the Board of Directors. Sir Henry was granted a retiring allowance the amount of which was not officially disclosed but which was understood to be in the neighbourhood of $100,000.

Shortly after assuming the management of the System, Mr. Hungerford announced that economy measures had been taken under which salaries of executive officers had been substantially reduced and a number of executive positions abolished.

Campaign Funds. On Feb. 11 (1932) the House of Commons passed a Resolution moved by Humphrey Mitchell (Lab., Hamilton E.) which, on the ground that the Beauharnois investigation of the previous Session had revealed the contribution of enormous sums of money to political campaign funds, called for consideration by the Committee on Privileges and Elections of the whole question of election funds with a view to the amendment of the Elections Act in respect thereto. This Committee under the chairmanship of R. B. Hanson (Con., York-Sunbury) held several meetings and discussed the subject matter of the Resolution but did not hear any evidence. It also considered the question of compulsory voting and other suggestions for electoral reform. The Committee recommended that further consideration of these matters be deferred till the next Session of Parliament when it was anticipated that a general revision of the Dominion Elections Act would be made.

Gasoline Prices. On Feb. 11 T. F. Donnelly (Lib., Willow Bunch) submitted a Motion setting forth that the price of gasoline to the Canadian consumer was too high and that the Standing Committee on Banking and Commerce should investigate and report. The Prime Minister, for the Government, accepted the Motion and it was adopted and the said Committee under the chairmanship of R. C. Matthews (Con., Toronto E. Centre) held twenty-two sittings and heard twenty witnesses under its order of reference, the witnesses representing leading Canadian oil companies. The Committee,

in addition to taking evidence, had an examination made by chartered accountants of the books and price records of certain companies. On May 17 the Committee reported that from a consideration of the evidence and the auditor's report it was of opinion that the price of gasoline to the Canadian consumer was not unreasonably high and that the public interest would not be further served by a continuation of the Inquiry. (See also "Price of Gasoline in Canada" in Supplement at end of this Volume).

Grading Garnet Wheat; Sugar Beet Industry. The Select Standing Committee on Agriculture, on instructions from the House, inquired into the subject of the grading of Garnet Wheat, with particular reference to the Report of the Committee on Grain Standards for the crop year 1931-32. It recommended to the House, after considerable study of the matter, that the Canada Grain Act be amended to make operative for the crop year, 1933-34, the recommendation of the Western Grain Standards Board in so far as it related to the grading of Garnet Wheat, unless the Board should establish for the said crop year different standards from those recommended in the Report of 1931.

The Committee on Agriculture also, on reference from the House, conducted an inquiry into questions affecting the sugar beet industry, and as to what action should be taken by way of Customs duties, subsidies, bonuses or otherwise for promoting its prosperity. After hearing the evidence of a number of witnesses representing Government departments, beet growers, and sugar refining companies, the Committee reported on Apr. 1, 1932. The Report submitted that the evidence showed that the granting of bonuses or subsidies to encourage the production of sugar from beets was not favoured by representatives of the growers or of the refiners. It recommended that in view of the existing tariff on sugar and in view of the substantial payments being made to agriculture and labour by the beet sugar factories, the cane sugar refineries should undertake to provide for a gradual increase in factory facilities for the refining of beet sugar and that factory facilities should be increased in Western areas where beets were grown, in order to make possible the production from beets of a more substantial percentage of the sugar consumed in Canada. Failing any successful attempt by the refineries to increase these facilities, the Government, the Committee advised, should take into consideration steps to accomplish that end. The Report was adopted.

The Civil Service Act Inquiry. A Special Committee, under the chairmanship of James Earl Lawson, Member for York West, was appointed on Ministerial Motion Mar. 1 to inquire into the administration and operation of the Civil Service Act and it presented its Final Report on May 10, having in the meantime taken much evidence. This Committee made a number of recommendations in respect of the Civil Service Act and its administration, prominent among which was the suggestion that the entire personnel of the existing Civil Service Commission be retired, the Chairman, because of his age. This recommendation was predicated upon the opinion that the Commissionerships called for very special qualifications. This and other proposals were given effect to in a Bill amending the Civil Service Act which passed the House of Commons on May 24 and became law at the end of the Session. The legislation left it to the Governor-in-Council to determine when the Commissioners should be retired and what gratuity should be granted them on retirement. The requirement for residence in Canada in the case of persons desiring admission to examination for the Civil Service was raised from three years to five. Certain changes were made in the law with respect to the powers of Deputy Ministers for increasing the salaries of members of the Service and to the acceptability of persons assigned to the Department by the Commission. The position of postmaster in any revenue post office, the revenue of which was not in excess of $3,000 per year, was exempted from the provision of the Act.

It was announced on June 29 that in the interests of economy, an Order-in-Council had been passed to the effect that, unless the Deputy Minister

concerned certified that the filling of the position was necessary to the Service, all permanent positions vacant on July 30, 1932, would be abolished and removed from the establishment of the various Departments; that there would be no increase in remuneration of any employee before Mar. 31, 1933; and that all temporary positions must be authorized by the Treasury Board.

The Gordon Charges. On the second day of the Session the Hon. Hugh Guthrie, Minister of Justice, gave notice of Motion for the appointment of a Committee to inquire into certain charges alleged to have been made from public platforms by the Hon. George N. Gordon of Peterborough, a former Minister of Immigration, reflecting upon the Prime Minister. Mr. Guthrie's notice cited newspaper reports of speeches made by Mr. Gordon at Hamilton and Lindsay in which he was quoted as charging that Mr. Bennett had financed the wedding trip of his brother-in-law, Major W. D. Herridge, Canadian Minister to Washington, out of the Public Treasury, and that he had obtained a new private railway car for his own use at a cost to Canada of $125,000. On Feb. 17 the Committee was named and G. R. Geary (Con., Toronto S.) became Chairman. On several occasions the Leader of the Opposition protested against the setting up of this Inquiry, claiming that it was due to the desire of the Prime Minister for personal vengeance and that the country should not be put to the expense involved nor the time of Parliament occupied with a matter personal to Mr. Bennett.

The Committee held a number of sittings and examined witnesses, including newspaper reporters who had written the reports of Mr. Gordon's speeches. On Mar. 3 Mr. Bennett and Mr. Herridge appeared before the Committee. The Prime Minister said the Gordon charges had received wide publicity. He was not concerned with them as charges against himself personally but as reflections upon the Prime Minister of Canada. It was untrue, he said, that his sister's wedding trip had been paid out of the Public Treasury, and likewise untrue that Mr. Herridge had been employed to conduct a Government case before the Privy Council while on that trip. Mr. Bennett objected to being charged with stealing public funds and to having his sister's name dragged in. He had not had a new private car provided for himself; the C.N.R. management had desired to take in the old car used by the Prime Minister and substitute another car which was under construction. Mr. Herridge gave evidence similar to that of the Prime Minister.

On Mar. 4 Mr. Gordon appeared before the Committee and claimed that in certain respects his statements had been misquoted in the newspapers while in others he had been misled into making statements by information given him which at the time he believed to be reliable but which he subsequently found to be incorrect. He denied that he had ever used Mrs. Herridge's name, and said he had never intended any reflection upon the honesty of Mr. Bennett. He had, he said, in a public statement at Cobourg, subsequent to the speeches at Hamilton and Lindsay, made a retraction of and an apology for any statements he had made that were incorrect . . . He assured the Committee that he regretted the statements which had formed the basis of newspaper reports, such reports being unfair to Mr. Bennett and Mr. Herridge and he was anxious to correct the impression that had gone forward.

On Mar. 17 the Committee made its final Report to the House of Commons. It found that the charges and allegations contained in reports in *The Globe*, Toronto, were, in fact, made by Mr. Gordon with the exception that the name, "Mrs. Herridge," had not been used by him. The Committee was of opinion that these charges and allegations were of a most serious nature calculated to injure the reputation of the Prime Minister and it pronounced these allegations and charges untrue. It found that they were made with the intention of injuring Mr. Bennett and were made recklessly and without adequate attempt to ascertain whether they were true or untrue. The Committee found the conduct of Mr. Gordon in making the statements he did reprehensible and deserving of the censure of the House of Commons, the more so as Mr. Gordon was a Member of the King's Privy Council for the Dominion of Canada. This Report was agreed to by the Conservative Mem-

bers of the Committee and Alfred Speakman, U.F.A. Member. In the Committee itself the Liberal Members moved an Amendment to the Report crediting Mr. Gordon with having made adequate retraction and apology; the Amendment was defeated. No motion in connection with the Report was made in the House.

The Beauharnois Project; Government Action; Aftermath in the Senate

The House of Commons investigation into the Beauharnois Power project during the Session of 1931 and the legislation passed pursuant thereto led to important developments prior to and during the Session of 1932. By the legislation of 1931 the project was declared a work for the general advantage of Canada; the Order-in-Council authorizing the necessary diversion of water from the St. Lawrence River for the purpose of power development was cancelled; and the Governor-in-Council was authorized to make a new diversion deed to the Beauharnois Light, Heat and Power Company, owners of the project, on certain conditions. The legislation was not to come into effect until proclaimed. After the close of the 1931 Session the Government took steps toward bringing about the fulfilment of conditions upon which the granting of a new diversion deed was contingent, and particularly in respect of the safeguarding of the rights of the Canadian people and of the interests of *bona fide* investors in the enterprise.

On Apr. 18 the Prime Minister read to the House of Commons a prepared statement reviewing the course of the administration in respect of the project, especially with regard to measures taken to ensure its being carried on, and indicating the attitude of the Government in respect of the default by the Beauharnois Power Corporation of interest on $30,000,000 of second mortgage collateral trust bonds as of Apr. 1. After pointing out that the Beauharnois Light, Heat and Power Company was a creation of the Quebec Legislature while the Beauharnois Power Corporation was an entity created under the Companies Act of Canada, Mr. Bennett dealt with the terms of the agreement between the Corporation and the Company by which the former was to advance to the latter $22,500,000 of the proceeds from the sale of the $30,000,000 of trust bonds. Among the purposes for which the $22,500,000 was to be used was the discharge of the Corporation's obligations to the Beauharnois power syndicate, amounting, Mr. Bennett said, to nearly $4,000,000, and payment of interest to the bondholders for two years till Oct. 1, 1931, amounting to some $3,600,000. The relatively small sum remaining from the proceeds of the sale of the collateral trust bonds was not sufficient to complete the enterprise and the Company applied to the Bank of Montreal, the Royal Bank of Canada and the Canadian Bank of Commerce for advances. At the date on which he spoke the banks had advanced $6,495,000, which was secured by first mortgage bonds of a face value of $9,742,000. Then, as the banks did not wish to advance too large sums, and in view of representations made as to what the extra cost of the Canal would be in connection with making it available for navigation purposes as part of the St. Lawrence deep waterway, the Government was asked whether it would assist in keeping the enterprise going by securing the banks against any loss on further advances. Requiring that the banks secure first mortgage bonds on the enterprise up to two hundred per cent. of the amounts advanced to relieve it of any claim which might arise, the Government gave an undertaking as requested and under it a further $7,951,500 was advanced.

Thus the Government, the Prime Minister said, had implemented its policy, as stated in the House of Commons during the previous Session, of endeavouring to procure the continuance of the project and to secure the rights of investors, and he proceeded to outline further efforts toward securing proper control and management and ensuring the greatest possible benefit to the Dominion as a whole from an undertaking that had been declared a work for the general advantage of Canada. Expenditures had been within the estimates and the work had progressed in accordance with expectations.

Nothing had come of a suggestion, made during a conference between himself and the Prime Minister of Quebec, at which others were present, that the enterprise might best be managed by four power companies operating in the territory; and he had intimated that a suggestion to have it turned over to the Montreal Light, Heat and Power Company would not commend itself to the Government at the time. In February the 80,000 shares of stock given to the Sterling Corporation, in connection with securing such rights as it might have in the River, had been turned in for cancellation. Following intimation from the Government that reorganization of the Directorate was desirable, all the Directors of the Company had placed their resignations in the hands of a representative of the banks and the resignations of Hon. Wilfrid L. McDougald, R. O. Sweezey and R. A. C. Henry had been accepted. Suggestions had been made in respect of a new Board, but before any further action was taken the interest default occurred and the bond-holders thus came into the position of having a voice in the control of the enterprise. Under the trust deed which constituted the contract between the bond-holders and Power Corporation provision was made for the payment of interest to the bond-holders up to Oct. 1, 1931, and not for any payment thereafter and the Government did not feel under any obligation of placing the bond-holders in any better position than they had placed themselves by that contract. In the meantime, their interests had been advanced by the granting to the Company of title to the water necessary for power development. It was for the bond-holders themselves to determine what course they would take; they could exercise their rights to foreclosure and become possessed of the whole enterprise subject only to the claims of the first mortgage bonds or they might seek other arrangements. The future of the project depended to some extent upon what the bond-holders decided to do. As to further assistance from the Government, it was prepared, should a suitable reorganization be effected, to consider the acquisition by the State of first mortgage securities to the amount of the extra cost of the Canal involved in making it suitable for navigation purposes over and above what would be required merely for a power canal, which extra cost had been placed at about $15,000,000, thus providing that amount of money to ensure the completion of the undertaking. In the meantime the old Directors, whose resignation had not been accepted, continued to direct the enterprise. (See also page 454).

Toward the end of the Session, on May 24, Agrarian and Labour Members moved again in the matter, offering a Motion proposing: that the Government should proceed to determine the legality of the claim of the Province of Quebec to ownership in the water power of the Beauharnois Canal and, should it be determined that ownership reposed in the Dominion and not in the Province, that rights of ownership should be exercised and a Federal hydro-electric commission be set up to have charge of the enterprise on a public-ownership basis; that action should be taken to determine whether the act of the Provincial Legislature incorporating the Beauharnois Company was not *ultra vires* of the Province; and, further, that a Royal Commission should be appointed to investigate the disposal of all moneys derived from the sale of the $30,000,000 of collateral trust bonds. Mr. Gardiner (U.F.A. Leader) offered the Motion but was prevented by the rules from moving it and it was moved by Alfred Speakman (U.F.A., Red Deer). These Members, as also E. J. Garland (U.F.A., Bow River) and Mr. Woodsworth for the Labour group, contended that ownership of the power was in the Dominion and that the Quebec legislation was invalid and the enterprise, therefore, insecure. They urged the necessity for an investigation of the disposal of the money of the investing public. A Quebec voice, that of Armand LaVergne (Con., Montmagny) was raised in support of the proposition that the power belonged to the Dominion and should be developed for the benefit of the public under public ownership. The Motion did not go to a vote, the discussion lapsing.

Conduct of Senators. Implementing a decision taken unanimously at the end of the 1931 Session, the Senate early in the 1932 Session

appointed a Special Committee to consider the Report of the House of Commons Committee on the Beauharnois project in so far as it related to Members of the Senate. On Motion of Rt. Hon. Arthur Meighen, Leader of the Senate, the Committee was appointed on Feb. 12, consisting of the following: Conservatives—Hon. Thomas Chapais, Hon. James J. Donnelly, Hon. W. A. Griesbach, Hon. Lendrum McMeans, Hon. Charles E. Tanner; Liberals—Hon. Frederick L. Béique, Hon. A. B. Copp, Rt. Hon. George P. Graham, Hon. Clifford W. Robinson. Senator Tanner became Chairman. The Committee met for organization purposes Feb. 16 and adjourned till Mar. 2. Counsel for the Committee were J. A. Mann, K.C., of Montreal, and A. L. Smith, K.C., of Calgary. The three Senators named in the Commons Committee's Report were represented by counsel. Hon. W. L. McDougald was represented by Hon. Lucien Cannon, K.C., of Quebec, John W. Cooke, K.C., of Montreal, and H. E. O'Donnell, of Montreal; Hon. Donat Raymond, by Col. Thomas Vien, K.C., of Montreal; and Hon. Andrew Haydon by R. S. Robertson, K.C., of Toronto.

During the course of the Inquiry much of the ground covered by the Commons Committee was traversed. Senators McDougald and Raymond appeared before the Committee and made statements and were examined. The former denied any improper use of his position as a Senator or in any other public capacity, while the latter denied he had ever used or attempted to use any influence to further the Beauharnois project. Senator Haydon was examined at his home, as he was unable to attend in the Committee Room, owing to illness.

In the course of his evidence Senator McDougald, of his own volition, introduced the matter of an hotel bill of Rt. Hon. Mackenzie King in connection with a trip to Bermuda in 1930 which, it had appeared from the proceedings in the 1931 Commons Committee, had been paid by the Beauharnois Company. At the House of Commons investigation it had been explained by Senator McDougald that he and Rt. Hon. Mackenzie King had been guests at the same hotel in Bermuda and that when he was leaving, a few days before Mr. King, he had asked for the latter's bill and had paid it at the same time as his own. Mr. King was unaware of this until the time of his departure and request for his account when he was told that it had been already paid by Senator McDougald. It had appeared, during the 1931 Inquiry, that Mr. King's hotel bill had been sent to the Beauharnois Company with Senator McDougald's expense account and that it had been paid by the Company. Senator McDougald's explanation at the Commons Inquiry (1931) had been that Mr. King's bill must have been sent to the Beauharnois office by error on the part of a clerk in his office; that he had never intended it to be other than a personal matter. His voluntary statement during the Senate Inquiry of 1932 showed that Mr. Mackenzie King's bill had not been paid by the Company. He repeated his explanation of 1931, that he, personally, had paid Mr. King's expenses in Bermuda as a friend, and when the matter came up in the Commons Committee and a voucher had been exhibited with a bill which was said to be Mr. King's bill, he had felt there must be some mistake. When the original voucher came back to the Beauharnois office from the Commons Committee he had investigated and found that the Bermuda hotel bill was a bill for his own rooms and expenses and did not include a dollar of Mr. King's expenses. Senator McDougald said he had known that if Mr. King's bill, which he had paid, had been charged to the Beauharnois Company it could only have been by an error on someone's part, but he had found that it had not been so charged at all.

Hon. G. Howard Ferguson, Canadian High Commissioner to Great Britain, having requested a hearing before the Committee, came from London to answer a statement made in evidence by Senator Haydon that he had been told by R. O. Sweezey, President of the Beauharnois Company, that Mr. Ferguson, when Prime Minister of Ontario, would not permit a power contract between the Company and the Ontario Hydro-Electric Commission to be signed until he had been paid $200,000. Mr. Ferguson denied that there was any foundation for the statement.

In its Report to the Senate, Apr. 22, the Tanner Committee, in dealing with the three Senators involved, quoted extracts from the Commons Committee's Report and stated its own conclusions thereon, basing these conclusions on its own Inquiry. It dealt with the case of each Senator separately. Thus, in the case of Senator McDougald, the Tanner Committee extracted from the Commons Committee's Report the following paragraphs:

> "How one holding the high offices to which he had been called as Chairman of the Montreal Harbour Board, member of the National Advisory Committee on St. Lawrence Waterways, a Senator of Canada and a member of the Special Committee of the Senate above referred to, and as he himself has stated, having a high regard for his public duties, should allow his private interest to so interfere with his public duty that he found it necessary, speaking from his place in the Senate, to be 'ambiguous' and incorrect, it is difficult for your Committee to understand.
>
> Senator McDougald's actions in respect to the Beauharnois project cannot be too strongly condemned."

The Tanner Committee stated in respect of these paragraphs:

"In the judgment of the Committee the conclusions herein set up are amply justified by the evidence that Senator McDougald's actions were not fitting or consistent with his duties and standing as a Senator."

In the case of Senator Haydon, among the extracts taken from the Commons Committee's Report was the following:

> "In these circumstances your Committee is of opinion that the acceptance of the above mentioned contingent retainer and of the $50,000 involved, and of the campaign funds by Senator Haydon cannot be defended and is strongly condemned."

The Tanner Committee noted that Senator Haydon had denied that the $50,000 fee referred to (a retainer fee received by his law firm from R. O. Sweezey in connection with the Beauharnois project) was made contingent upon the passing of the Order-in-Council giving the Company the necessary water diversion for its enterprise and that the Senator had stated that the entire fee of $80,000 received by his firm was for work done for some time previous to the making of the fee arrangements and for work still to be done. In regard to this the Tanner Committee stated:, "It is impossible for us to find anything of a legal character that was done by this firm, which would have been remunerated by any company on a business basis at a figure equal to or nearly equal even to the total retainers paid periodically by the Beauharnois Company to Senator Haydon's firm aside entirely from the special $50,000 fee. In the face of this fact and having in mind as well the high position enjoyed by Senator Haydon in the public mind in relation to the Party in which he held high trusts, and having regard as well to the very positive, unequivocal and comprehensible account of the arrangement given by Mr. Sweezey, it is impossible for us to find otherwise than that the $50,000 fee was contingent on the passing of the Order-in-Council."

The Committee ratified the conclusion of the Commons Committee regarding the $50,000 fee and added: "Senator Haydon's conduct was unfitting and inconsistent with his position and standing as a Senator of Canada."

The Committee, dealing with Senator Haydon's evidence regarding an alleged conversation with Mr. Sweezey and containing the statement that Mr. Sweezey had said that Mr. Ferguson would not permit a power contract with the Ontario Hydro-Electric Commission to be signed until he received $200,000, reported as follows: "Under the circumstances it is impossible to find otherwise than that Senator Haydon's evidence in this regard was not correct."

In the case of Senator Raymond the Committee found it impossible to do otherwise than accept his denial "that influence directed toward affecting Government policy was actively exerted by him." It added: "The evidence, however, is conclusive of the following facts: That Senator Raymond accept-

ed from a company—directly or indirectly—very large sums of money by way of campaign contributions; that the Company from which such funds were accepted was dependent vitally on Government franchises or concessions; and that one of the Governments from which such franchises or concessions were necessary was the Government of Canada, of which Senator Raymond was a very prominent supporter."

The Report concluded with the following general statement: "This Committee feels it to be their duty to express the opinion that Senators of Canada should not place themselves in the position of receiving contributions from or being interested in an enterprise dependent on specific favour, franchise, or concession to be made by a Government whose conduct is, under the constitution of Canada, subject to review by both branches of Parliament."

A Motion by Senator Tanner, as Chairman of the Committee, for concurrence in the Report was debated in the Senate for several days. On May 3 a vote was taken on the Motion and it was passed, 34 to 27. The division was strictly on Party lines, Conservative Senators voting for the Motion and Liberal Senators against it. Immediately following the division Hon. Raoul Dandurand, Liberal Leader in the Senate, read a letter from Senator McDougald, dated that day at Ottawa, to which was attached a letter, addressed to His Excellency the Governor-General, containing Senator McDougald's resignation from the Senate. In his letter to Senator Dandurand, Senator McDougald expressed the opinion that it would be impossible for anyone belonging to a political Party which was in a minority in both Houses to expect more in the way of vindication than he had received through the refusal of Liberal Members of the Committee and Liberal Members of the Senate to accept the Report. He had had a complete vindication, he said, from the Members of his own Party in the Senate. Having received that vindication he felt he could honourably withdraw from the Senate and therefore tendered his resignation. Senator Meighen expressed the view that Senator McDougald had taken the right course. The following day Senator Meighen made a statement in which he said that the resignation of Senator McDougald disposed of the necessity of any further consideration of that phase of the subject. He added: "As respects Senator Raymond, I have never felt, and do not now feel, that the terms of the findings of the Committee—just though they were and, I think, entirely fair—would warrant the consideration of any further action at all with regard to him. As to Senator Haydon, I desire to state to the House that I have received the most convincing and, I feel I may say, authoritative information respecting his health. The information as to his condition now is such that, without any reservation whatever, I feel we should not be justified in considering further action as respects Senator Haydon."

This ended the case in the Senate.

Resolutions of the Senate and Debates

Appointment of a Commission to consider methods for the control of sources of radium supply in the Great Bear Lake area was proposed in a Resolution moved in the Senate on Apr. 14 by Hon. A. D. McRae. The State, Senator McRae advocated, should control and conserve the surplus pitchblend from which radium was obtained and of which rich deposits had been discovered. The production of radium from pitchblend could not be regarded as offering important mining opportunities, but it was important to consider that at present there was control of radium supplies by a Belgian trust. The conservation of the sources of supply in the North-West Territories could be effected without interference with mineral development. Senator McRae was interested from the point of view of giving suffering humanity the boon of an ample supply of radium at a moderate cost. He considered it unthinkable that the rich deposits in Canada should be developed on a basis of exploitation. Canada should produce radium at less than $10,000 per gram whereas the Belgian wholesale price was $50,000 per gram. A shortage of radium was

costing the lives of tens of thousands of cancer victims annually. One authority had said that in Canada in 1928 cancer had caused 8,514 deaths, while another had said that 100 additional grams of radium, properly applied, would save 30,000 lives in the United States alone, and on the same ratio 1,700 lives could be saved in Canada. Senator McRae attributed the shortage of radium to the high price. Eight grams, said to be the required amount for a cancer centre, would cost about $400,000. Until the discovery of pitchblend in the Great Bear Lake district the Belgian Congo stood alone in its supremacy as a radium producer; there were no competitors of the Belgian trust. One train load of Great Bear Lake pitchblend would produce more radium than the world would require for some years. Senator McRae's proposal attracted considerable attention and provoked further discussion in the Senate. On May 4 Rt. Hon. Arthur Meighen, Leader of the Senate, stated that Canada appeared to have a supply of radium of inestimable value to this country and to the world, and that a careful investigation was indicated. He said the question of control and conservation was having the earnest and immediate consideration of the Government. He did not himself agree with Senator McRae's proposal for the appointment of a commission; the matter was being investigated in other ways. Senator McRae withdrew his Motion.

A Resolution by Hon. J. P. B. Casgrain on Mar. 16, proposing that there should be no further negotiations with the United States in respect of the St. Lawrence waterway until the Senate had considered the manner in which other treaties with the same country were being carried out, produced a considerable Debate. Senator Casgrain was concerned particularly with the diversion of water from Lake Michigan at Chicago, in which he alleged treaty violation by the United States and suggested that the matter should be taken to the foot of the Throne. He said Chicago was taking twice as much water as was authorized and the U.S. Government were doing nothing about it. If the water diverted at Chicago were allowed to take its natural course Canada could develop 360,000 h.p. of electricity at Niagara and ten times as much at Montreal. He believed that if Canada applied to England, redress would be secured. Hon. George Lynch-Staunton supported Senator Casgrain, holding that there could be no treaty between Canada and the United States because Canada was not a sovereign power. If there was to be a waterway treaty it should be between Great Britain and the United States. Senator Meighen pointed out that the United States did not admit the application of any treaty to the Chicago diversion. It held that the Boundary Waters Treaty of 1909 could not apply to Lake Michigan. The Canadian Government contended that the treaty applied to the diversion, although it based its protests more on the general principles of international comity and international law. The United States Supreme Court had recognized in a general way the applicability of the treaty to the diversion. There was further discussion without any action being taken.

Maj.-General the Hon. W. A. Griesbach drew the attention of the Senate, on Mar. 22, to the absence of any official history of Canada's part in the Great War. He said there was no reason for the delay in compiling such a history. Senator Meighen said the Government had not abandoned the task but only compilation work was being done at the time. He agreed with Hon. Pascal Poirier that while an official history was essential there should be a history written by someone who would undertake it for the love of the task and not in the way of an official duty.

Hon. G. H. Barnard re-introduced in the Senate a Bill, defeated the previous Session, to permit Provinces to authorize the holding of lotteries or sweepstakes on races for the benefit of hospitals. Arguments for and against the measure similar to those employed the previous Session were advanced. The Bill was defeated.

Senator Lynch-Staunton advocated, Apr. 13, substantial changes in the laws governing the incorporation of companies. He referred particularly to the unlimited authority conferred on companies for issuing and apportioning stock and to the issuing of stock with no par value and to the issuing of bonds

and debentures and the revamping of the financial structure of companies. Senator Meighen as Government Leader said a revision of the Companies Act was not contemplated at the time. He pointed out that some of the suggestions of Senator Lynch-Staunton would encroach on the right of the Provinces. Arbitrary Dominion enactment would drive incorporation to the Provinces and the Dominion would lose control and the public in some cases would lose security.

Considerable opposition developed in the Senate to the Ministerial Bill from the Commons amending the Criminal Code in regard to N.S.F. cheques, especially on the ground that it was a reversal of the British system of justice in that it presumed fraudulent intent on the part of the accused and then left it to the accused to satisfy the courts to the contrary. The Bill was finally passed.

A Special Committee of the Senate under the chairmanship of Hon. J. S. McLennan made an extensive study of matters having to do with the trade and commerce of Canada, its work being especially concerned with the Imperial Economic Conference. The Committee held a number of meetings, had before it a great many persons connected with trade matters, including officials of the Government and representatives of commercial interests. The information thus gathered, together with the Committee's views thereon, was presented to the Senate in the form of an impressive and useful Report.

Close of the Third Session of the Seventeenth Parliament

The Rt. Hon. F. A. Anglin, Deputy of His Excellency the Governor-General, closed the Third Session of the Seventeenth Parliament on May 26, 1932. The Speech from the Throne expressed gratification that the programme of economy would ensure relative equalization of Revenues and Expenditures and that additional moneys for the Public Service would be obtained without adverse effect upon the cost of living or impairment of national credit. The Government's policy of unemployment and farm relief forecast continued improvement in conditions. The securing of a larger area of distribution for the coal production of the Maritime Provinces would do much to relieve distress in that part of the Dominion. The measure for national ownership and control of radio broadcasting provided necessary assurance against foreign interference with broadcasting from Canadian sources and ensured to people, without regard to class or place, equality of service from the new broadcasting system to be inaugurated as soon as practicable. The New Zealand commercial agreement was a further step toward closer Empire economic association based upon the principle of reciprocal benefits. The inquiry into the operation of the Civil Service Act prepared the way for the reorganization of the Civil Service Commission and the better administration of matters pertaining to the Civil Service. Mention was made of various other important measures enacted during the Session and of various conventions that had been approved by Parliament. The Speech from the Throne continued:

> "Recurring disturbances in world conditions have hindered our progress. The prosperity we rightly expected before this time has been by them delayed. For no nation can alone resist the influence of the universal disruption of financial and industrial conditions.
>
> "Near at hand are the means by which this country, organized and prepared, may hasten its economic recovery. Within two months' time an Economic Conference of the countries which compose the British Empire will meet at Ottawa. From that Conference may arise a power which will bring enduring harmony out of economic chaos, and provide the wise and courageous leadership which in other times of universal stress the world looked for and obtained from the British peoples. Canada believes that the closer economic association of the British Empire will herald the dawn of a new and greater era of prosperity both for ourselves and for all the nations of the earth."

The following is a list of the Public Acts assented to on Apr. 4, Apr. 14, May 3, May 13, and May 26, 1932, during the Third Session of the Seventeenth Parliament:

Appropriation Act, No. 1
Appropriation Act, No. 2
Appropriation Act, No. 3
Admiralty Act
Alberta-British Columbia Boundary
Canadian National Railways Financing Act, 1931, No. 2
Criminal Code (Cheques without Funds)
Criminal Code (Conveyance of prohibited articles)
Criminal Code (Summary Trials)
Marriage and Divorce Act
Ottawa, Agreement with City of
Regulations and Orders-in-Council
Unemployment and Farm Relief
Boards of Trade Act
Canadian National Railways Guarantee Act, 1931, No. 2
Judges Act
Juvenile Delinquents
Debts due to the Crown
Destructive Insect and Pest Act
Opium and Narcotic Drug Act
Patent Act
Petroleum and Naphtha Inspection Act
Yukon Quartz Mining Act
Canadian National Railways (Branch Lines)
Canadian National Railways Financing Act, 1932
Canadian National Railways Guarantee Act, 1932
Companies Act
Criminal Code (Trustees defined)
Eastern Bank of Canada
Excise Act
Fish Inspection Act
Frontier College
Gold Export Act
New Zealand Trade Agreement
Refunds (Natural Resources) Act
Relief Measures Act
Royal Canadian Mounted Police Act
Unfair Competition Act, 1932
Bankruptcy Act
Civil Service Act
Customs Tariff
Fisheries Act
Income War Tax Act
Income War Tax Act (Special tax)
Insurance, Department of
Insurance Companies, Canadian and British
Insurance Companies, Foreign
Judges Act
Live Stock Pedigree Act
Montreal Harbour Commissioners Act
Radio Broadcasting Act
Salary Deduction Act
Soldier Settlement Act
Special War Revenue Act
Waterton Glacier International Peace Park
Winding-up Act
Appropriation Act, No. 4

One of the outstanding Bills passed during the Session was that ratifying the New Zealand Trade Treaty, the Agreement having been presented to the House of Commons by the Minister of Trade and Commerce, Hon. H. H. Stevens, on Apr. 23 (See Section: Industries and Commerce under subheading "Trade Conventions").

Approval by Parliament was given also to the following Conventions: The British Commonwealth Shipping Agreement, The International Convention for the Amelioration of Conditions of the Wounded and Sick in Armies in the Field, The International Convention Relative to the Treatment of Prisoners of War, The International Convention for Limiting the Manufacture and Regulating the Distribution of Narcotic Drugs.

Administration of Justice: Criminal Statistics

The total number of indictable offences disposed of by the criminal courts of Canada for the year ended Sept. 30, 1931, was 38,189. Of this number 6,589 were acquitted and 58 retained for lunacy, leaving 31,542 convictions. The corresponding figures for the previous year were: indictable offences, 34,751; acquitted, 6,246; detained for lunacy, 48; convicted, 28,457. The classes of crime which showed the greatest increase were assaults of various kinds, burglary, robbery, false pretences, fraud, forgery, theft, gambling and bawdy houses. These crimes comprised about 75 per cent. of the total and increased over 25 per cent.

Although the convictions for non-indictable offences in 1931 showed an increase over 1930 there continued to be a check in the percentage of increase. The rates of increase during 1929-1930-1931 were 18.05 per cent., 6.45 per cent. and 6.12 per cent. Breaches of traffic laws accounted for the total increase in 1931. Quebec, chiefly in the Montreal district, showed an unusual increase, all in breaches of the Traffic Acts. Drunkenness showed a decline of 6,641 or 22.9 per cent. Breaches of the Liquor Act declined 1,947 or 19.1 per cent. No other notable changes were recorded.

The following table gives convictions by Provinces (indictable and non-indictable) for 1929, 1930 and 1931.

	Indictable			Non-Indictable		
	1929	1930	1931	1929	1930	1931
Prince Edward Island	55	59	57	783	906	838
Nova Scotia	869	875	1,184	6,231	6,299	5,324
New Brunswick	358	354	461	4,032	4,072	4,533
Quebec	4,780	5,540	5,737	51,099	60,098	99,381
Ontario	9,489	11,774	12,000	153,385	163,913	153,451
Manitoba	1,988	2,272	3,102	26,536	26,879	22,625
Saskatchewan	1,918	2,355	2,716	11,413	11,574	10,691
Alberta	2,201	2,525	2,887	13,939	12,904	13,113
British Columbia	2,425	2,694	3,385	22,499	21,989	17,671
Yukon and N.W.T.	14	9	13	126	125	151

The total number of juvenile delinquents brought before the courts, according to the Report for the year ended Sept. 30, 1931, was 9,947, compared with 10,905 for the previous year, showing the first large decrease reported since 1922. There were 6,530 charged with major offences and 3,417 with minor offences. Of this number there were 360 dismissals for major offences; 859 adjournments for major and 960 for minor offences; 5,311 major and 2,457 minor convictions. The *per capita* rate of boy delinquents of major offences dropped from 526 per 100,000 boys of the same age to 505 during the year. In the minor class the decrease in the rate was marked, being but 5 less per 100,000. Of the 9,947 cases dealt with in the courts 47.3 per cent. were returned from three of the larger cities (Montreal, Toronto and Winnipeg), whose combined population in 1931 was but 16.8 per cent. of the total population of Canada. Twelve of the larger cities whose population was 24.6 per cent. of the total returned 70 per cent. of the cases; and 43 of the larger cities and towns with a population of 31.1 per cent. of the total returned 85.2 per cent. of the cases. Therefore, the less populous centres and the rural districts, representing 68.9 per cent. of the population returned but 14.8 per cent. of the boys and girls charged with delinquency. Of the 5,311 delinquents in 1931, 1,054, or approximately 20 per cent. were given penalties under the heads of fine, restitution, industrial school or corporal punishment, the other 80 per cent. being reprimanded, put under observation, or given suspended sentence.

Royal Canadian Mounted Police. The Annual Report of the Royal Canadian Mounted Police for the fiscal year ended Sept. 30, 1931, stated that the strength of the Force on that date was 59 officers; 1,154 non-commissioned officers and constables; and 138 special constables; or 1,351 of all ranks. Omitting the special constables, the strength of the Force proper was 1,213. The increase in the uniformed Force was 8 per cent. over the previous year. The number of cases dealt with during the year was 101,131, an increase of 40.44 per cent.

On Aug. 1, 1931, Major-General James Howden MacBrien, C.B., C.M.G., D.S.O., assumed the post of Commissioner, to which he had been appointed July 14, in succession to Major-General Cortlandt Starnes.

During the year 1932, the duties of the former Provincial Police Forces in Alberta, Manitoba, Nova Scotia, New Brunswick and Prince Edward Island were taken over by the Royal Canadian Mounted Police, the first four Provinces from the 1st of April, 1932, and Prince Edward Island from the 31st of May, 1932. The dates of the Orders-in-Council setting forth the agreements with the several Provinces were as follows: Alberta, Feb. 3, 1932, P.C. 243; Manitoba, Mar. 8, 1932, P.C. 541; Nova Scotia, Mar. 29, 1932, P.C. 676; New Brunswick, Mar. 31, 1932, P.C. 721; Prince Edward Island, Apr. 19, 1932, P.C. 858. The duration of the agreements, in each case, was to be until May 1, 1935.

The agreements involved the following specified yearly payments to the Dominion Government: Saskatchewan, $175,000, as well as the cost of the transportation and maintenance of prisoners; Alberta, $175,000 and, in addition, a yearly sum of $50,000 for the transportation and maintenance of prisoners; Manitoba, $100,000, and a yearly sum of $25,000 to cover the cost of transportation and maintenance of prisoners; Nova Scotia, $150,000; New Brunswick, $100,000; and Prince Edward Island, $15,000.

In so far as the Preventive Service was concerned, the Royal Canadian Mounted Police, on Apr. 1, 1932, took over the whole of that Service, with the exception of the Special Investigation Branch (administration of Sales tax and so forth) under the authority of Order-in-Council of Apr. 16, 1932, P.C. 857. The Preventive Service Sections of the Royal Canadian Mounted Police were operating in every Province of Canada; the R.C.M.P. had merely assisted the Preventive Service prior to the passing of the above-mentioned Order-in-Council, and in doing this, several members of the Force were Acting Preventive Officers.

The Province of Saskatchewan had been taken over by the R.C.M.P. from June 1, 1928, for a period of seven years, under the authority of Order-in-Council P.C. 580 of Apr. 14, 1928.

By an "Act to amend the Royal Canadian Mounted Police Act" passed during the 1932 Session (May 13) the office of deputy commissioner was created; and members of the Force were to have "all the rights, privileges and immunities of Customs and Excise preventive officers, including authority to make seizures of goods for infractions of revenue laws and to lay informations in proceedings brought for the recovery of penalties therefor." The Bill also provided that time spent in active service in the Great War by members of the Force would be included for pension purposes; and similarly with time served in the Civil Service and the Customs-Excise Preventive Service.

In June, 1932, the retiring age of the members of the R.C.M.P. was set by Order-in-Council as follows: the Commissioner, at 65 years of age; Deputy Commissioner, 64; Assistant Commissioner, 63; Superintendent, 62; and Inspectors, 60. For the sergeants-major the retiring age was set at 57 years; staff sergeants and sergeants, 58; and other ranks, 56.

Penitentiaries. The number of inmates in Canadian penitentiaries as at Mar. 31, 1931, was 3,714, as compared with 3,187 at the beginning of the fiscal year, according to the Report of the Superintendent of Penitentiaries (Brig.-Gen. W. St. Pierre Hughes). The average daily population during the fiscal year was 3,434. The *per capita* cost *per diem* amounted to $1.49 and the net Expenditure to $3,034,438. Of those in the Penitentiaries at the end of the year, 2,441 were born in Canada; 292, in England and Wales; 118, in Scotland; 42, in Ireland; and 30, in other British countries. The foreign-born numbered 791, of whom 274 were born in the United States; 95, in Russia; 92, in Austria-Hungary; 75, in China; 64, in Italy; 21, in Roumania; and 170, in other foreign countries. There were among the inmates 162 serving life sentences; 17 serving sentences of 25 years and over; 36, of 20 and under 25 years; 85, of 15 and under 20 years; 62, of 12 and under 15 years; 153, of 10 and under 12 years; 55, of 8 and under 10 years; 702, of 5 and under 8 years; 228, of 4 and under 5 years; 828, of 3 and under 4 years; 107, of over 2 and under 3 years; and 1,279, of 2 years. With regard to age, 484 were under 20 years; 1,710 were between 20 and 30 years; 824, between 30 and 40 years; 437, between 40 and 50 years; 173, between 50 and 60 years; and 68 were over 60 years. There were 872 abstainers, 2,338 who were temperate and 504 who were intemperate. Those who were single numbered 2,328; married, 1,240; widowed, 139; and the divorced, 7. As to racial distribution, 3,499 were white; 75, coloured; 59, Indian; and 81, Mongolian. Classification as to creeds was as follows: Roman Catholic, 1,810; Church of England, 618; Presbyterian, 407; United Church, 329; Baptist, 169; Lutheran, 83; Greek Catholics, 69; other Christian creeds, 93; Hebrew, 66; Buddhist, 68; other non-Christian creeds, 2. The Report of the Dominion Parole Officer showed that 415 had been released from penitentiaries on parole during the year and 498, released from jails, reformatories, industrial farms, etc., on parole. It was announced on Jan. 18, 1932, by the Minister of Justice, that Brig.-General Hughes was being retired from the office of Superintendent of Penitentiaries after 39 years of service, having reached the stipulated age for retirement.

Divorces. Statistics of divorces compiled by the General Statistics Branch of the Dominion Bureau of Statistics for the calendar year 1931 showed a decrease of 191 in the number of divorces granted in Canada compared with the previous year. 684 divorces were granted in 1931, as compared with 875 in 1930. The number granted, by Provinces was: 208, in British Columbia; 154, in Alberta; 94, in Manitoba; 82, in Ontario; 51, in Saskatchewan; 39, in Quebec; 36, in Nova Scotia; 20, in New Brunswick; and 1, in Prince Edward Island.

National Revenue; Reports of Other Departments

The Annual Report of the Department of National Revenue (Hon. E. B. Ryckman, Minister) for the fiscal year ended Mar. 31, 1932, showed that total Customs revenue for the period was $113,997,851 (1931, $149,250,992). The total value of goods entered for home consumption was $578,503,904 (1931, $906,612,695): dutiable goods, $388,498,048 and free goods, $190,005,856. The percentage of duty on the total value was 19.71 compared with 16.46 for the previous year. Total exports were valued at $587,565,517 (1931, $817,028,048).

The total Excise revenue for the fiscal year was $109,586,366 (1931, $93,986,975) made up of Excise duty, $49,322,065 and Excise tax, $60,264,301. Details of Excise duty were given as follows: spirits, $8,160,573; malt liquor, $389,736; malt, $3,634,888; tobacco, $36,650,559; cigars, $460,504; acetic acid, $100; manufactures in bond, $17,300; and other receipts, $8,405. The quantity of spirits produced during the fiscal year was 7,099,637 proof gallons as compared with 9,286,780 proof gallons in the previous year. Figures for the fiscal year 1931-32 of Excise taxes collected (Domestic and Importations) were as follows: Domestic—licences, $37,127; stamps, $2,852,913; automobiles, $332,668; matches, $1,949,469; sales, $34,557,787; playing cards, $276,528; cigars, $217,937; wines, $258,061; ale, beer, etc., $6,297,858; embossed cheques, $194,371; and penalties and interest, $219,031; Domestic total, $47,193,755; Importations—Sales, $7,834,822; Excise, $253,505; and special Excise (1 per cent.), $4,982,216.

Under the Income Tax Division the following statement was given showing the amount collected under the Income War Tax Act during the fiscal year ended Mar. 31, 1931, according to Provinces by the two classes; individuals and corporations, and the combined total amount:

Provinces	Individuals	Corporations
Prince Edward Island	$ 31,362.80	$ 16,592.43
Nova Scotia	368,586.60	316,808.18
New Brunswick	356,874.98	259,795.45
Quebec	9,590,868.19	13,722,413.14
Ontario	12,349,569.73	22,963,982.96
Manitoba	1,448,489.02	2,181,427.31
Saskatchewan	442,770.35	507,029.00
Alberta	1,018,259.71	1,332,882.89
British Columbia	1,589,400.07	3,589,008.62
Yukon	8,107.63	12,833.99
Head Office	797.65	8,899.29
Gross Totals	$27,205,086.73	$44,911,673.26
Deductions	580,905.61	487,832.33
Net Totals	$26,624,181.12	$44,423,840.93
Combined Gross Totals		72,116,759.99
Combined Deductions		1,068,737.94
Combined Net Totals		$71,048,022.05

Three appeals of the Consolidated Distilleries Company from a judgment of the Exchequer Court to the effect that they forfeit, to the Crown, bonds of indemnity totalling nearly $600,000, were dismissed with costs in the Supreme Court in March, 1932. Cross-appeals by the Crown asking for interest on the bonds from date of their default were also dismissed with costs. The appeals and cross-appeals were all argued at one time at the Fall session of the Court, Newton Wesley Rowell, K.C., appearing for the Crown and W. N. Tilley, K.C., for the Consolidated Distilleries Company. The case,

an outcome of the Customs Inquiry of 1926, was, briefly, as follows: three shipments of liquor by the Consolidated Distilleries Company, for which bonds of indemnity had been posted guaranteeing their delivery in a Central American country, were alleged to have been taken out of Vancouver and landed by use of small boats on United States territory near San Francisco. The decision of the Exchequer Court had been delivered by Mr. Justice A. K. McLean, President, in March of the previous year (1931).

Pensions and National Health. The Report of the Department (Col. and Hon. Murray MacLaren, C.M.G., M.D., C.M., Minister) for the fiscal year ended Mar. 31, 1931, covered the six divisions: (1) Department of Pensions and National Health, Pensions Division, (2) War Veterans' Allowance Committee, (3) Board of Pension Commissioners for Canada, (4) Pension Tribunal, (5) Pension Appeal Court, and (6) Department of Pensions and National Health, Health Division.

Under the Pensions Division admissions to hospital during the year showed a marked increase, 12,077 as against 9,941 in 1929-30. The total number who received in-patient treatment was 15,519 as against 12,939 in 1929-30 and 12,147 in 1928-29. Treatments under the out-patient department increased from 122,651 to 161,816. There were 3,127 actually in hospital on Mar. 31, 1931. There were 171 veterans' care cases. 8,811 pensioners were granted relief; 130 men were admitted in Vetcraft Shops and 181, discharged; 240 being employed on Mar. 31, 1930; 14 cases were taken for vocational training and 11 for probational training. During the period, Oct. 1, 1930, when the Veterans' Bureau commenced to function, to Mar. 1, 1931, 14,333 applications were received.

Applications for returned soldiers' insurance numbered 1,563, as against 3,580 during the previous year; 116 applications were refused. Policies in force at Mar. 31, 1931, numbered 29,013 and insurance carried amounted to $64,314,952. There were 192 claims for accidents on the part of pensioners while engaged in industry, with an expenditure of $45,142. The following figures show disbursements of funds appropriated by Parliament: direct payments to men and dependants, $50,491,851; payments for services to men and dependants, $4,858,954; capital expenditures, $128,438; payments to outside organizations, $53,123; recoverable expenditures, $231,947; total, $55,764,315; revenue—insurance premiums, $1,791,542; revenue—casual, $112,535; total revenue, $1,904,078; administration expense, $1,444,868; expense of the Board of Pension Commissioners Federal Appeal Board, Veterans' Bureau, Pension Tribunal and Pension Appeal Court, $713,156; total, $59,826,417.

The War Veterans Allowance Committee reported for the year ended Sept. 1, 1931—the first year of operation—3,049 recipients for allowance —an annual expenditure of $990,084. Up to Dec. 1, 1931, 8,490 applications had been received by the Committee; 8,375 had been disposed of; and the remaining 115 had been deferred for further consideration.

The 1930 Amendments to the Pension Act provided for the creation of a Pension Tribunal of 9 members and the Pension Appeal Court of 3 members, the former to travel over the country and to deal with applicants personally; and the latter to sit in Ottawa. In explaining the operation of the Amendments the Report quoted figures made up to Nov. 30, 1931. With the advent of the new legislature there was a deluge of applications which had to be brought first to the Board of Pension Commissioners. Many of those who thought that there was even a remote chance of securing pension made application. There was a provision in the Act that any application not granted by the Pension Board should be referred to the Veterans' Bureau and to the Chief Commission Counsel, an officer appointed to represent the Pension Board before the Tribunal and the Court. This automatic reference necessarily clogged the new machinery, as upwards of 15,000 cases were referred, and it was impossible either for the Veterans' Bureau to prepare and present, or for the Tribunal to hear these applications without great delay. In order to make possible the administration of the Act, Amendments were passed during 1931, whereby the personnel of the Pension Tribunal was increased,

so that instead of there being four sections of the Tribunal sitting at one time there would be six. This meant more rapid hearing of cases. The new members of the Tribunal appointed were: Lieut.-General Sir Richard William Ernest Turner, V.C., K.C.B., K.C.M.G., D.S.O., Brig.-General Harold French MacDonald, C.M.G., D.S.O., and Major Charles C. Thompson, M.C.

The Tribunal rendered 3,793 decisions to Nov. 30, 1931, 1,811 of these being in favour of the applicant and 1,982 against. By the Amendments of 1931 the automatic reference by the Pension Board to the Tribunal was abolished and provision was made that any cases that were not listed before the Tribunal should be referred back to the Pension Board for further consideration and adjudication. If an application, whether made direct to the Pension Board or referred back by the Veterans' Bureau, were not granted, the applicant would be provided by the Pension Board with a statement of the reasons why it could not be granted and would be informed that his claim would again be reviewed by the Pension Board if he could provide any further evidence, or he could ask that his case be heard by the Tribunal. Entitlement to pension had been granted by the Pension Board in about twenty per cent. of the cases referred back with additional evidence. Attention was drawn to the beneficial result of the Amendments of 1931, showing that before they had become effective 2,500 cases per month had been referred by the Pension Board for consideration by the Tribunal, while in the 4 months during which the Amendment had been in effect there had been a total of only 229 references. The work of the Pension Board, however, had been greatly increased. During September, October and November (1931), 1,984 disability pension claims and 1,188 dependent claims had been admitted, while 2,978 disability pension claims and 706 dependent claims had not been granted.

The Pension Appeal Court, functioning since February, 1931, had, to Nov. 30, received 1,293 appeals entered by the Commission Counsel on behalf of the Pension Board and 949 by applicants. 1,092 of these appeals were heard; of those submitted by the Commission Counsel, 190 received a favourable decision and 274 unfavourable; and of those submitted by the applicants against decisions by the Tribunal, 23 were decided in the applicants' favour and in 489 cases the adverse decision of the Tribunal was confirmed, while 116 cases were referred back for re-hearing. There were, on Dec. 1, 1931, approximately 1,100 cases listed for hearing. Most of the cases already dealt with were those heard by the Tribunal in its early stages.

At Nov. 30, 1931, there were 93,272 dependent pensioners: 73,787 disability and 19,485 dependent, as against 76,640: 56,996 disability and 19,644 dependent, at Mar. 31, 1930.

A test case, affecting ex-pensioners, was argued before the Pension Appeal Court on Jan. 7, 1932. It was a reference agreed upon between the Board of Pension Commissioners and the Auditor-General of Canada. The question to be decided was: "Do the Pension Act and its 1930 Amendments provide for restoring to pension a man who, having already commuted his pension and having now made application to be so restored, is found on re-examination to be suffering at a lesser rate of disability than the one for which he was originally pensioned?" Two weeks before, the Pension Tribunal had found in the affirmative and in consequence of that finding the case was taken to the higher Court for interpretation. The decision of the Pension Appeal Court, delivered by Mr. Justice Hyndman, President, was to the effect that such ex-pensioners, under the conditions mentioned, were entitled to the restoration of pension. (*The Globe*, Jan. 8, 1932).

Recommendations presented to the Prime Minister in the form of a "Memorial" by representatives of the Associated Veterans' organizations on Jan. 15, 1932, were promised careful consideration by the Government. The "Memorial" expressed strong dissatisfaction on the part of ex-Service men with the working-out of the appeal provisions of the Pension Act. Their complaints centred chiefly upon "(a) the congestion of cases in the Board of Pension Commissioners for Canada and the Pension Appeal Court; (b) the length of time it takes to get a final decision; and (c) the unnecessary

appealing of cases by the Commission Counsel." Certain suggestions were offered as a means of elimination of the trouble; (a) that the time of appeal be extended to 30 days and "with the *proviso* that with motion of appeal the Chief Commissioner shall give his reasons for the same;" (b) that the number of appeals might be limited "without, at the same time, depriving the Crown of the right of appeal; (c) that "ways and means must be devised to reduce the percentage of success on appeals taken by Commission Counsel;" and (d) that "the existing Pension Appeal Court and the Pension Tribunals be combined into one court" from which an appellate division might be constituted, consisting of the Chairman and two members of the court, such two members to be changed every three months—this with the intention of keeping the court in more intimate touch with applicants. It was urged that the privilege extended to war veterans in the Civil Service by the Act of 1921 be secured permanently for them "without further controversy" (The 1921 Act gave a preference to veterans in connection with appointments to the Civil Service). It was also noted that the veterans would oppose any attempt to repeal the "Act" which established Nov. 1 as a national holiday (Remembrance Day). (*The Gazette,* Montreal, Canadian Press Dispatch).

Toward the end of April, it was announced in the House that a joint Committee, one section of which would be appointed by the Government and the other by the Associated Veterans' organizations, would be established. It would be for the purpose of inquiring into the weakness of the existing Pensions Act and of discovering what Amendments might be necessary thereto. The Committee would report to the Government and the necessary legislation would be placed before Parliament at the next Session (1933).

The Report of the National Health Division (Food and Drug) stated that there had been no expansion in the organization but that the advance previously made had been at least maintained. Laboratories were operated in Halifax, Montreal, Toronto, Winnipeg and Vancouver with the central laboratories in Ottawa. In connection with the importation of food, 8,496 consignments were examined; 3,515 of which came through the Customs port of Vancouver. Forty convictions were registered by Court decisions; 42 cases were settled by payment of penalties as provided in Section 19 of the Food and Drug Act: one was dismissed; and three remained unfinished at the end of the year. Three persons convicted for the adulteries of morphine products went to jail in *lieu* of paying their fines; penalties and costs exacted in other cases amounted to $8,704. In dealing with the import of drugs the total detentions were 728. At the Customs Port of Montreal, out of 212 shipments detained, 133 were re-exported and 31 destroyed, with the remainder still under detention. At Calgary, 296 shipments were detained; at Quebec, 58 shipments; at Edmonton, 55; at Victoria, 47; at Nelson, 41; at Vancouver, 16; and at Three Rivers, 3.

The Report pointed out the urgent need of the Division for a laboratory, equipped and staffed for the detection and examination of vitamins in foods.

The Report of the Narcotic Division of the Department of Pensions and National Health emphasized the fact of continuing improvement in narcotic conditions in Canada. The total number of convictions under the Opium and Narcotic Drug Act during the judicial year ended Sept. 30, 1930, was 458, as compared with 567 in the preceding period. Of these, 200 were convictions obtained on charges involving the illicit possession of, selling or importing narcotics. 146 of the total number convicted were British and United States, and 300, Chinese. The amount of narcotic drugs imported into Canada during the calendar year 1930 showed a decrease under the previous year. The figures were: cocaine, 2,011 oz.; morphine and heroin, 6,861 oz.; and crude opium, 1,012 lb. The Report also quoted the figures for 1920 for the purpose of comparison: Cocaine, 6,968 oz.; morphine and heroin, 28,198 oz.; crude opium, 13,626 lb.; and added: "These figures speak for themselves, and yet it is certain both that the quantities now being imported are found sufficient for the needs of the country and that the diversion therefrom into the illicit traffic is quite negligible."

Public Works. The Report of the Department (Hon. H. A. Stewart, K.C., Minister) for the fiscal year ended Mar. 31, 1931, showed a total expenditure of $34,118,404 on various works of construction, maintenance and operation (an increase over the previous year of $7,762,548) as follows: harbour and river works, $11,785,509, an increase of $3,804,951; dredging, plant, etc., $4,305,126, an increase of $994,172; roads and bridges, $190,383, an increase of $105,888; airports, $93,214, a decrease of $686,930; public buildings, $15,792,574, an increase of $3,487,996; telegraphs, $928,975, an increase of $43,104; miscellaneous, $275,831, an increase of $14,908; and civil government, $746,791, a decrease of $1,542.

The total revenue for the year amounted to $559,680 (a decrease of $103,843) made up as follows: graving docks, $117,759, a decrease of $4,150; rents, $103,353, a decrease of $13,343; telegraphs, $242,441, a decrease of $114,028 (as the previous year's revenue was augmented by the sale of certain telegraph and telephone lines, the net decrease in traffic revenue was $39,786.16, this net decrease being due to curtailment of business activities, accentuated by the total loss of former revenue from the lines sold); casual revenue, $93,304, an increase of $26,174; and from ferries, $2,823, an increase of $1,505.

Some of the outstanding works of the year were: the international bridge across the St. John River between Clair, N.B., and Fort Kent, Maine, opened to traffic Sept. 1, 1930; one-half of the cost having been borne by the Dominion Government and one-half by the State of Maine; the construction of the grain elevator and docks for the Lower Lakes Terminal at Prescott; extension improvements at Burlington Channel, made necessary in order to accommodate the traffic in and out of Hamilton Harbour as a result of the completion of the new Welland Canal; improvements in Little Cataraqui Bay, Kingston, to facilitate the entry of the largest vessels coming through the Welland Canal; the construction of the Toronto Custom House (contract price, $2,057,000), the Brandon Public Building (contract price, $129,400), Saskatoon Public Building (contract price, $725,700), and the Calgary Federal Building (contract price, $1,294,770).

At the close of the fiscal year telegraph pole mileage was 9,300¼, wire mileage, 11,297¼, cables, 369¼ knots; and there were 756 offices. Messages sent during the year aggregated 411,806 as compared with 495,562 for the preceding year. The purchase and laying of the new Prince Edward Island telephone cable cost $28,000. During the year the Peace River-Fort Vermilion telegraph line was completed.

(The National Gallery—under the jurisdiction of the Minister of Public Works—is covered in the Section: National Organizations).

Department of the Secretary of State. The Report of the Secretary of State (Hon. C. H. Cahan) covered the several branches of the Department for the fiscal year ended Mar. 31, 1931. The Correspondence Branch showed that 13 new boards of trade had been registered during the year. Under date of June 5, 1930, an Order-in-Council had been passed revoking the former Order-in-Council which had brought Part 2 of the Canada Temperance Act into effect in the County of Compton, Que. The repeal became effective on and from June 14, 1930. During the year 913 licences were issued under the Ticket-of-Leave Act. The Remission Division also dealt with 1,719 cases; and, jointly with the Department of Justice, with 24 capital cases, 12 of which received the death sentence; 6 were commuted and in 6 cases new trials were granted. 2 new trade unions were registered during the year.

With regard to the Companies Branch, 899 companies were incorporated during the year, including 9 corporations without share capital, and 475 companies having shares without nominal or par value. The total capitalization of new companies having shares with par value only was $129,772,250. The aggregate authorized common stock of companies having both preferred shares with par value and common or other shares without nominal or par value was $74,846,950 preferred stock and 91,352,429 shares without nominal or par value (allotment price, $357,994,597).

The Naturalization Branch reported a continuing increase in the volume of naturalizations. 10,897 certificates were issued during the fiscal year, conferring naturalization upon 21,392 persons.

Civil Service. The Report of the Civil Service Commission (Chairman, Hon. W. J. Roche) for the year 1931 noted the holding of fewer examinations for entrance into the Public Service, "due to current economical conditions and the resulting decrease in the number of new appointees required." Individual examinations numbered 987 as compared with 1,115 in 1930; and 2,022 permanent assignments were made, as compared with 2,803 in 1930.

The Commission stated that it had maintained the Statutory preference in entrance examinations extended to veterans and pensioners of the Great War, as far as was consistent with the provisions of the Civil Service Act. The desire of the Department of Pensions to have veterans only appointed to specified positions created a difficulty which was solved during the year. According to the Report: "The Civil Service Commission finds it impossible to definitely exclude civilians from competition, but by way of compromise, the Department of Pensions has furnished the Commission with a list of classes of positions in which it is felt no other than one with Overseas experience should be employed and in such cases this fact is stipulated in any advertisement promulgated by the Commission." The responsibility of rejecting civilian candidates who applied notwithstanding the stipulation, was to devolve upon the Department of Pensions. Of 1,700 males assigned to permanent positions during the year, 836 were ex-Service men, and of 3,203 assigned for temporary employment, 862 were ex-Service men.

A more recent outcome of the discovery in the previous year of irregularities in the Civil Service Examinations, was the charge laid in Montreal against Lionel Chartrand. Upon pleading guilty to the charge of receiving money from prospective candidates he was sentenced to one month in jail and a $100 fine. With Leo Bouchard, Civil Service Examiner, he had been acquitted of a charge of conspiracy to defraud in April, 1931. Bouchard's trial was postponed. Three accomplices, Georges E. Bergeron, Fernando Gauthier and Louis Pouliotte, were tried in Montreal. Bergeron was found guilty and sentenced to fine and imprisonment; Gauthier was declared "not guilty." "In Pouliotte's case a true bill was returned by the grand jury, but the indictment was later quashed on the ground of Statutory limitations. All three men, who were Post Office employees, have lost their positions. The Department of Justice has also under consideration the question of prosecution of two or three others similarly involved. A complete report of further proceedings will be given in next year's Report." Moreover, "the examinations of all candidates whose papers were found to have been tampered with were cancelled, and those who were then employed were discharged. The papers of all the candidates in the competitions where the irregularities were discovered, were re-read, and a new oral examination was given . . ."

By an Order-in-Council passed Jan. 16, 1932, Civil Servants receiving a salary of at least $600 a year were "precluded from becoming a candidate at any municipal or civic election, or from engaging in any other substantially gainful service or occupation, without first having obtained leave of absence, without pay," from his duties as a public servant. To a delegation from the Civil Service Federation of Canada, waiting upon him Jan. 27, the Secretary of State (Hon. C. H. Cahan) said "that the Order-in-Council represented a direction from the Government as a whole, and that in individual cases it would be necessary for Government employees to seek the advice of their deputy ministers, with regard to the relationship of the Order to specific cases." (*The Citizen*, Ottawa, Jan. 28, 1932).

According to a statistical Report on the Civil Service for the fiscal year ended Mar. 31, 1931, the number of permanent employees at March, 1931, was 32,715; the number of temporary ones, 12,866. The total expenditure or salaries for the former during the year amounted to $55,967,975; and for the

latter, $14,198,335. (See also "Civil Service Act Inquiry" elsewhere in this Volume).

Reparations and the "Gypsum Queen" Case. According to a Report tabled in the House during the 1932 Session (Feb. 16) by Hon. C. H. Cahan, Secretary of State, administration, investigation and payment of claims in the Reparations Section of the Custodian's Office, from Dec. 31, 1929, to Jan. 31, 1932, totalled $10,400,000. The Commissioner, Errol McDougall, K.C., Montreal, hearing these claims, made an Interim Report in March, 1931, on which $561,884 was paid on 189 assessments, and a Supplementary Report in July on which $226,819 was paid on 14 assessments. Mr. McDougall also made a Report in January, 1932, on which $149,843 was paid 132 claimants on account of maltreatment while prisoners of war. On January 31, 1932, there were 342 claims outstanding, of which 285 were military and 57 civilian. During the year ended Jan. 31, 1932, two payments were made under the recommendations of the Friel Report, totalling $1,458, and eight claims assessed in that Report, totalling $6,288, remained unpaid owing to the inability to find the claimants. Of three appeal cases outstanding from 1930, and under examination by a judge of the Exchequer Court, one totalling $579,850, that of the National Steel Car Corporation, was paid. The remaining two were outstanding. These claims totalled $126,000.

An Order-in-Council was passed on Jan. 27, 1932, appointing Chief Justice Horace Harvey of the Supreme Court of Alberta a Commissioner under the Inquiries Act to conduct an Inquiry into the case of the schooner, "Gypsum Queen," lost off the coast of Ireland, July 31, 1915, and for which loss $71,276.72 was paid to Freeman Hatfield, alleged owner of the vessel, out of Reparations funds. This payment was made in response to a claim made in behalf of Freeman Hatfield which alleged that the vessel had been torpedoed and sunk by enemy submarines. The Commissioner of Reparations, Errol M. McDougall, K.C., had recommended, Jan. 8, 1931, payment of $40,000 to cover loss of the vessel and of freight, personal effects, etc., with interest from the date of loss. The total amount of the award was paid by cheque forwarded to Hatfield in care of Hon. Hance Logan, Senator. The Order-in-Council appointing a Commission of Inquiry was made on a report from the Secretary of State which set forth that he had received information leading to the belief that grave irregularities might have occurred in connection with the Reparations Inquiry and the payment, involving the commission of criminal or other acts. The investigation conducted by Chief Justice Harvey extended over several months, evidence being taken at various places. The Commissioner presented his Report in August, 1932. He found, according to a statement issued by the Secretary of State, that the vessel was not sunk by submarine but was a victim of ordinary marine peril, and that evidence presented with the application for reparations was falsified. He found that Senator Logan, who had acted as counsel for Hatfield, knew this evidence to be false, and that Senator Logan received approximately half the money. His Report stated that as there was no trustworthy evidence that the money was not for his own benefit the Commissioner concluded that Senator Logan had received it for his own benefit, that being the natural presumption.

Department of National Defence. During the fiscal year ended Mar. 31, 1931, the total expenditure of the Militia and Air Services amounted to $20,134,554; of this $11,026,363 was for Militia Services; $7,147,018 for Air Services; and $1,137,347 for General Services. The total figure also included $106,070 for the adjustment of War claims; $573,756 for Imperial War Graves; and $144,000 for Battlefields Memorials.

The actual strength of the Permanent Active Militia in warrant officers, non-commissioned officers and men was 3,290. Of the non-permanent Militia, 3,191 officers and 19,439 other ranks were trained at local headquarters while 2,454 officers and 15,408 other ranks were trained at camps (exclusive of District Camp Schools). The strength of the Royal Canadian Air Force was 177 officers and 729 airmen. The number of cadets enrolled in the nine Provinces totalled 131,985.

The total Expenditure of the Royal Canadian Navy amounted to $3,597,597. Authorized complement of the Royal Canadian Naval Reserve was 70 officers and 430 ratings. Of these 37 officers and 157 ratings were actually serving. At the close of the fiscal year there were 61 officers, 920 ratings and 17 instructors in the Royal Canadian Naval Volunteer Reserve. The ships in commission during the year were: H.M.C.S. *Champlain,* a destroyer, and H.M.C.S. *Festubert* and *Ypres,* minesweepers, based at Halifax; H.M.C.S. *Vancouver,* a destroyer, and H.M.C.S. *Armentieres,* a minesweeper, based at Esquimault. There were, in addition, the two new destroyers commissioned in 1931 at Portsmouth, England, H.M.C.S. *Saquenay,* on May 22 and H.M.C.S. *Skeena,* on June 10, (For Civil Aviation in Canada see Section: "Transportation and Communication").

Department of the Interior. (Minister, Hon. Thomas G. Murphy). The Report of the Deputy Minister, H. H. Rowatt, in the Annual Report of the Department for the fiscal year ended Mar. 31, 1931, referred especially to the consummation of the transfer to the Western Provinces of the natural resources within their boundaries. The dates of the actual transfer were: July 15, 1930, for Manitoba; Aug. 1, 1930, for the lands in the Railway Belt and Peace River Block for British Columbia; and Oct. 1, 1930, for Alberta and Saskatchewan. All lands, mines and minerals within each Province came under its own control. School Lands funds were also handed over to the Provinces. All Indian reserves and National Parks remained under the control of the Dominion. The Department continued to control directly the natural resources in an area of 1,528,000 square miles, embraced chiefly in the National Parks and in the Yukon and North West Territories. The change, however, affected the figures for the year, making it difficult to institute a comparison with previous years. Letters patent issued amounted to 3,900, covering 399,388 acres, a decrease of 2,097 letters patent and of 433,277 acres as compared with the previous year. From the establishment of the Dominion Lands Service, in May, 1873, 495,354 letters patent, covering 107,525,908 acres, had been issued. Homestead entries granted during the year numbered 10,984, covering 1,757,440 acres; of these, 454 were for Manitoba; 2,834 for Saskatchewan; 7,122 for Alberta; and 574 for British Columbia. The agencies in which the entries were made indicated the north-westward trend of settlement in the previous few years, as did the 506 soldier entries also. Preceding the transfer, 21,285 acres of school lands, of a total value of $252,263, were disposed of in the three Prairie Provinces. During the year the Government of Norway formally recognized Canada's title to the Arctic Islands, commonly known as the Sverdrup group, comprising Axel Heiberg, Ellef Ringnes, Amund Ringnes, and King Christian islands. This recognition removed, according to the Report, "the one possible ground for dispute as to the Dominion's sovereignty in the whole Arctic sector north of the Canadian Mainland."

The Dominion Observatory, Ottawa. According to the Report of the Director, R. Meldrum Stewart, for the year 1931-32, there had been obtained in the regular programme work of the meridian circle 210 observing days, 2,880 observations for right ascension and declination of stars and 200 of the sun, moon, and planets. On 43 nights observations for clock correction were made also with a three-inch transit. The time service was maintained as in previous years with no material changes. Wireless time signals were received regularly from Rugby, Annapolis, Bordeaux, and Nauen, the reception being made by coincidence by extinction and, when convenient, by registration. Time signals were broadcast at 3 p.m. daily except Sunday through CNRO on concert wave length, and daily through the Observatory station on wave lengths of 90, 40.8, and 20.4 metres.

Solar Physics—Over 100 nine-strip solar and iodine absorption spectrograms at λ 5600 were obtained in connection with the programme for the determination of solar rotation, and the measurements and computations of solar spectra were continued. About the same number of direct photographs of the nine-inch solar image were taken. Investigations of solar and tidal

periods and their effect on climate and on various forms of life were carried on with special reference to Canada. Certain results obtained were contributed in the form of papers to the 1931 Canadian Biological Congress on cycles. Oceanic and inland reactions of opposite phase had been found and half periods noted in geographic regions subject to both reactions.

The 15-inch Equatorial.—The telescope was employed mainly in the further study of triple or peculiar spectroscopic binary systems, about 120 spectrograms being obtained. The stars chiefly studied were χ Draconis, ϵ Aurigae, η Virginis, α Canum Venaticorum, and β Lyrae. A new photo-electric photometer was designed, and was constructed in the Observatory workshop. Considerable work of an experimental nature was done with this instrument and several improvements were made. A Lindemann electrometer was being used instead of the former string electrometer and more accurate results were anticipated. As in former years the telescope was made available to visitors every clear Saturday evening. On dull evenings lantern slides were shown.

Photographic Photometry.—The international programme on Cepheid variables was being continued in so far as it included the preparation of lists of comparison stars. Some fifty plates were obtained with double exposures for the determination of the magnitudes of the comparison stars, and the plates of several of the fields were prepared for measuring. Owing to the protracted illness and subsequent death of the astronomer, Mr. R. Callander, only a small amount of observing was done for the light curves of the Cepheids.

Seismology.—During the year 312 earthquakes were registered of which 24 were reported to the Press and 20 by telegraph to Science Service at Washington, D.C. The epicentres and dates of the three largest earthquakes occurring in 1931 are as follows: Mexico, Jan. 15; Turkestan, Aug. 10; New Hebrides, Oct. 3. The seismographs at Ottawa, Saskatoon, Halifax, Shawinigan Falls, and Seven Falls were in practically continuous operation throughout the year.

Terrestrial Magnetism.—Magnetic work during the year was confined to the occupation of repeat stations for secular change of the magnetic elements. Observations were made at thirty-five stations representing thirty-four localities, twenty-three of these stations being distributed over the territory lying between longitudes 61°W and 75°W, and south of latitude 49°N and the remaining ones all in Western Canada, nine being along the water route to the Arctic ocean, between latitudes 58°N and 68°N.

Gravity.—In continuation of the work of 1930 magneto-metric surveys were made in the vicinity of Thetford, Quebec, for the purpose of further investigating the relation between the anomalies and the occurrence of the minerals, asbestos and chromite. In co-operation with the Ontario Research Foundation and the Ontario Department of Mines geophysical investigations of a preliminary character were made in Northern Ontario. These consisted of a gravitational survey with the torsion balance of the Onakawana lignite deposit and a magnetometric survey of the siderite deposit at the Grand Rapids on the Mattagami river. A report on the torsion balance investigations of 1929 was published as a part of Memoir 165 of the Geological Survey of Canada and two reports on the geophysical work of 1930 were prepared for publication. Progress was made with the various reductions in connection with the 129 pendulum stations established in Canada in preparation for the report on the work which was to be published in the near future.

Publications.—Eight numbers of the regular series of Dominion Observatory Publications were issued as follows: Volume VI, Part 1, Section 7, *A Device and Tables for Computing the Components of the Orbital Velocity of the Earth to Points on the Sun*; Volume VII, No. 6, *Empirical Investigation of Surface-Waves Generated by Distant Earthquakes*; Volume X, Nos. 7, 8, 9, 10 and 11, *Bibliography of Seismology*; Volume XI, No. 2, *A Determination of the Relative Values of Gravity at Potsdam, Greenwich, Ottawa, and Washington.*

The Topographical Survey. F. H. Peters, Surveyor-General and Director of the Topographical Survey of Canada, reported that, during the year 1931-32, editions of thirty-seven maps including thirteen new sheets of the National Topographic series, thirteen new maps not of the series and eleven reprints had been printed in the Topographical Survey, as well as ninety-six new township plans.

The necessity for rigid economy resulted in a greatly reduced amount of ground survey work being done, but owing to unusually favourable weather conditions aerial photography for mapping purposes carried on in co-operation with the Royal Canadian Air Force covered an especially large area, over 76,000 square miles, of which forty-six per cent. was by vertical photography and the remainder by oblique. Just as the Topographical Survey was the world pioneer in 1887 in mapping by photo-topographic methods, the Director claimed, so ten years before it had become the pioneer in Canada in mapping by aerial photographic methods. Developed experimentally from a very modest beginning to a well organized service, some 400,000 square miles had been photographed up to 1932; 125,000 being by vertical topography and 275,000 by oblique. Experience had shown, also, that the aerial photographs were very valuable for other purposes besides mapping—for geology, forestry, water power investigations, etc.

Geodetic Survey of Canada. The operations of the Geodetic Survey of Canada during the year 1931, according to the Report of the Director, Noel J. Ogilvie, were as follows:

Triangulation.—Triangulation reconnaissance was carried on in northern Ontario from White River to Sudbury; from Franz to the vicinity of Sault Ste. Marie; and from Woman River to the vicinity of Timmins, Ontario; primary triangulation in north-western Quebec from Oskelaneo to Vandry; triangulation operations in the vicinity forty miles west then sixty miles north-westerly from the same base; primary triangulation in western Quebec and in the Gatineau River Watershed; and triangulation operations in Belcher Islands, Hudson Bay.

Precise Levelling.—Operations were continued in Ontario, Quebec and British Columbia. Inspection of bench marks was made in the region from Prescott to Toronto, Niagara Falls and Chatham, Ontario.

Geodetic Triangulation and Isostasy.—The triangulation stations at Douville in northern Quebec and Azilda in northern Ontario were occupied for the determination of longitude and azimuth. Observations for longitude and latitude were made at Whale River on the east coast of Hudson Bay and at Moosonee on James Bay. A geodetic base line was measured in the primary triangulation near Sudbury, Ontario. Work in isostasy was confined to office computations.

The International Boundary Commission. In his Report for the year 1931 His Britannic Majesty's International Boundary Commissioner, for Canada, Noel J. Ogilvie, stated that during the period reference monuments on the St. John River had been repaired and the boundary had been located and marked on a recently completed highway bridge between Clair, N.B., and Fort Kent, Maine. Monuments were restored and the boundary vista re-opened on a section of the Quebec-Maine Highlands boundary, and the Quebec-Vermont, Quebec-New York and New Brunswick-Maine sections of the boundary were inspected. New monuments of a special type were erected on the 49th parallel boundary to mark the points where that boundary is crossed by new highways between Cardston, Alta., and Browning, Montana, and between Rossland, B.C., and Northport, Washington. An inspection was also made of the monuments on a section of the 49th parallel boundary near Cardston, and of the boundary vista and monuments at a number of points along the southern boundary of British Columbia.

National Parks. The Report of the Commissioner of National Parks of Canada (J. B. Harkin) for the year ended Mar. 31, 1931, characterised the National Park Act, passed May 30, 1930, as of special importance. It em-

phasized the inviolable nature of the parks and "confirms to the people absolute ownership in the eighteen scenic reservations and wild life sanctuaries comprising over 12,000 square miles of territory which constitute the national park domain of Canada." The Acts confirming agreements made by the Dominion Government with the various Provinces concerning the transfer of their natural resources, contained clauses substantially the same and also provided that historic sites be maintained intact by the Provinces. Visitors to the National Parks numbered 541,350, indicating a slight decrease of 17,979 under the previous year; tourist interest in the historic sites was growing, however. Construction on the Big Bend Highway by the Engineering Service was continued; the road was planned to connect Revelstoke with Golden and to form the last link in the Western section of a trans-Canada motor route. An increase in wild life in the Parks was reported.

Explorations. The 1931 patrol sent out on board the ss. *Beothic* by the North West Territories and Yukon Branch, left for their visit to the islands of the Canadian Archipelago on July 30 and returned Sept. 17. Sailing from North Sydney, they touched at Godhavn (Greenland); Fram Haven and Bache Peninsula, Ellesmere Island; Robertson Bay and Thule (North Greenland); Craig Harbour, Ellesmere Island; Cape Sparbo and Dundas Harbour, Devon Island; Pond Inlet, River Clyde, Pangnirtung, and Lake Harbour, Baffin Island; Chesterfield, Hudson Bay; and Cape Hopes Advance and Port Burwell, Hudson Strait. The patrol, of which Major L. T. Burwash was Officer-in-Charge, experienced most favourable weather conditions and were able to cover 7,000 miles in slightly over 48½ days. The various Royal Canadian Mounted Police ports were visited and a number of native settlements inspected. The Eskimos were reported as being in good health and enjoying prosperity as white foxes had been plentiful in the previous hunting season and they had obtained a large catch. Mission hospitals for the care of the Eskimos at Pangnirtung, Baffin Island, and Chesterfield, Hudson Bay, were reported as nearing completion. The voyage of the patrol was far from uneventful. At Bache Peninsula arrangements were made for dog teams and natives to assist the Police in searching for Dr. H. K. E. Krueger, the German scientist, and his Danish assistant, R. A. Bjare. No word had been received from them after April, 1930, at which date they were pursuing scientific investigations in the area North and West of Ellesmere Island. Inquiries of the *Beothic* at various posts were fruitless, however, and no word was expected of the success of the subsequent search until the next Summer's trip of the patrol. Another event of the voyage was the rescue and transportation South of the four surviving members of the motor schooner *Watts*, which was wrecked on the rocks near Frobisher Bay, Baffin Island. The survivors had been rescued by the R.C.M.P. and were then picked up by the *Beothic*.

Indian Affairs. The Report of the Department (Hon. Thomas G. Murphy, Superintendent-General) for the fiscal year ended Mar. 31, 1931, stated that the Indians had been "suffering from the present depression with its attendant unemployment and low prices for agricultural and other products." Their reaction had varied in degree with their geographical situation and vocation. Relief had been provided, $866,300 having been voted by Parliament for the year for this purpose. Trachoma and tuberculosis among the Indians were two serious health problems under the consideration of the Department. The average attendance at the schools was reported as having increased from 15,743 in the previous year, to 16,415. Amounts expended from the Consolidated Revenue Fund were as follows: voted by Parliament, $4,644,076; and annuities by Statute, $22,143. Of the total amount expended, $2,754,395 was for education and approximately $1,000,000 for health.

The Census of 1931. The Seventh Census of Canada taken as of June 1, 1931, and subsequently published by the Dominion Bureau of Statistics (by authority of Hon. H. H. Stevens, Minister of Trade and Commerce) showed the population of Canada to be 10,376,786 (5,374,541 males and 5,002,245 females) as compared with 8,787,949 in 1921, showing an increase of

1,588,837 or 18.08 per cent. The table below indicates the population by Provinces:

Province	Population		Increase or Decrease 1931 over 1921	
	1931	1921	Number	P.C.
	10,376,786	8,787,949(1)	1,588,837	18.08
Prince Edward Island	88,038	88,615	–577	–0.65
Nova Scotia	512,846	523,837	–10,991	–2.10
New Brunswick	408,219	387,876	20,343	5.24
Quebec	2,874,255	2,360,665(1)	513,590	21.76
Ontario	3,431,683	2,933,662	498,021	16.98
Manitoba	700,139	610,118	90,021	14.75
Saskatchewan	921,785	757,510	164,275	21.69
Alberta	731,605	588,454	143,151	24.33
British Columbia	694,263	524,582	169,681	32.35
Yukon	4,230	4,157	73	1.76
Northwest Territories	9,723	7,988	1,735	21.72
Canadian Navy	(2)	485	(2)	.....

(1) North-west River Arm, Rigolet and Hamilton Inlet population deducted from Quebec as these parts were awarded to Newfoundland by decision of the Judicial Committee of the Privy Council, Mar. 1, 1927. (2) Distributed according to naval station or home residence.

A preliminary tabulation of religious denominations showed that 16,043 had failed to give their religious affiliations compared with 19,534 in the previous Census. Denominations with the greatest number of adherents were given as: Roman Catholic, 4,098,546; United Church, 2,016,897; Anglican, 1,635,321; Presbyterian, 870,482; Baptist, 443,229; Lutheran, 394,052; Greek Catholic, 186,587; Greek Orthodox, 102,115; and Jew, 155,606.

The following table gives the urban and rural population of Canada by Provinces, for both 1921 and 1931:

Provinces	1921			1931		
	Total	Rural	Urban	Total	Rural	Urban
Canada	8,787,949	4,435,827	4,352,122	10,376,786	4,804,728	5,572,058
P.E.I.	88,615	69,522	19,093	88,038	67,653	20,385
N.S.	523,837	296,799	227,038	512,846	281,192	231,654
N.B.	387,876	263,432	124,444	408,219	279,279	128,340
Que.	2,360,665	1,038,096	1,322,569	2,874,255	1,060,649	1,813,606
Ont.	2,933,662	1,227,030	1,706,632	3,431,683	1,335,691	2,095,992
Man.	610,118	348,502	261,616	700,139	384,170	315,969
Sask.	757,510	538,552	218,958	921,785	630,880	290,905
Alta.	588,454	365,550	222,904	731,605	453,097	278,508
B.C.	524,582	277,020	247,562	694,263	299,524	394,739
Yukon	4,157	2,851	1,306	4,230	2,870	1,360
N.W.T.	7,988	7,988		9,723	9,723	
R. C. Navy	485	485		(1)		

(1) In 1931 distributed according to naval station or home residence.

Vital Statistics. The following table contains a condensed summary of births, deaths, infant and maternal mortality, and marriages in 1931 as given in a Preliminary Report of the Dominion Bureau of Statistics on Vital Statistics for the year 1931. The figures for all deaths and for infant mortality both exclude still births.

Provinces	Population in Thousands	Living Births		All Deaths		Infant Mortality		Maternal Mortality		Marriages	
		No.	Per 1,000 Population	No.	Per 1,000 Population	No.	Per 1,000 Population	No.	Per 1,000 Population	No.	Per 1,000 Population
P.E.I.	88	1,879	21.4	912	10.4	128	68.1	13	6.9	490	5.6
N.S.	513	11,530	22.5	5,925	11.5	908	78.8	55	4.8	3,394	6.6
N.B.	408	10,800	26.5	4,644	11.4	944	87.4	60	5.6	2,544	6.2
Que.	2,874	83,606	29.1	34,487	12.0	9,443	112.9	399	4.8	16,783	5.8
Ont.	3,432	69,162	20.2	35,688	10.4	4,830	69.8	371	5.4	23,771	6.9
Man.	700	14,376	20.5	5,319	7.6	924	64.3	69	4.8	4,888	7.0
Sask.	922	21,267	23.1	6,070	6.6	1,467	69.0	93	4.4	5,692	6.2
Alta.	732	17,145	23.4	5,296	7.2	1,195	69.7	85	5.0	5,139	7.0
B.C.	694	10,343	14.9	6,108	8.8	514	49.7	65	6.3	3,877	5.6

The total number of illegitimate births in the Registration Area of Canada in 1931 was 8,342 and the percentage of illegitimate to living births was 3.47. Illegitimate births were divided among the Provinces as follows: Prince Edward Island, 71; Nova Scotia, 625; New Brunswick, 367; Quebec, 2,450; Ontario, 2,769; Manitoba, 513; Saskatchewan, 633; Alberta, 630; British Columbia, 284. The total number of still births in the Registration Area was 7,607 and the percentage of still births to total births was 3.1.

Among causes of death the diseases of the heart were 132 per one hundred thousand population; cancer, 92; diseases of early infancy, 87; violent deaths, 69; pneumonia, 68; tuberculosis of the respiratory system, 60; diseases of the arteries, 58; diarrhoea and enteritis, 50; nephritis, 50; cerebral hæmorrhage, embolism or thrombosis, 25; influenza, 31; senility, 21; traffic accidents, 35; congenital malformations, 14; tuberculosis, other than the respiratory system, 14; appendicitis, 13; diseases of the stomach, 14; puerperal causes, 12; diabetes mellitus, 12; diseases of liver, 12; accidental drowning, 10; suicides, 10; whooping cough, 7; hernia, 10; paralysis, without specified cause, 7; meningitis, 5; diphtheria, 6; typhoid fever, 4; measles, 2; bronchitis, 5; venereal diseases, 5; scarlet fever, 2; epilepsy, 4.

The total number of deaths from cancer in Canada in 1931 was 9,565. They were divided among the Provinces as follows: Prince Edward Island, 85; Nova Scotia, 593; New Brunswick, 409; Quebec, 2,400; Ontario, 3,725; Manitoba, 610; Saskatchewan, 583; Alberta, 439; British Columbia, 721. Of the total, 4,727 were males and 4,828 females.

According to preliminary figures there were, in 1931, 240,108 living births in Canada, 66,578 marriages and 104,449 deaths.

Education. "School attendance in 1929-30 continued to increase in regularity as well as in absolute numbers," stated the Annual Survey of Education issued (in 1932) by the Dominion Bureau of Statistics for the year 1930, "the time spent in school by the average child during the year having been at least a month more than that of the child of ten years ago. The better attendance is reflected in the results of the schools, for the proportion of pupils getting as far as the high school grades has increased by more than fifty per cent. in the same period, this, in turn, having increased the supply of teachers and raised their general level of qualifications." In addition the proportion of men in the teaching profession had steadily increased.

The recorded attendance at Canadian educational institutions in 1930 was 2,490,623, necessitating 83,144 teachers and 32,209 schools or colleges at a cost of $165,361,198. The pupils were distributed among the various institutions as follows: (1) in Provincially-controlled schools:— ordinary day, 2,106,878; technical day, 47,742; technical evening, 111,301; normal schools, 7,360; blind and deaf, 1,764; (2) in privately-controlled schools:— ordinary day, 92,275; business training, 29,120; (3) in Dominion Indian schools:— 15,743; (4) in universities and colleges:— preparatory, 19,783; university grade, 37,400; and others, 21,257.

According to the Report on Higher Education in Canada, covering the academic year ended June, 1931, and issued by the Dominion Bureau of Statistics (Education Statistics Branch), there were 41,168 students of university standard reported; of these, 28,960 were men and 12,208 women; and the preparatory and extension departments enrolled a further 36,450, making a total of 77,618 students, as compared with 73,515 in the previous year. 39,127 of the 41,168 university-grade students were under graduates, the remaining 2,041 were pursuing post-graduate courses. Private, elementary and secondary schools enrolled 33,973 students in 1931; business colleges, 22,827. There was a marked increase in the number of older pupils in the schools, supposedly caused by employment conditions. Current expenses of the year for universities and colleges amounted to $20,078,000, while a further $6,134,000 was spent for new buildings, etc., on capital account.

DOMINION GOVERNMENT APPOINTMENTS

1931

(July 1 to Dec. 31)

Office	Name	Date
Canadian National Railways, Director of	R. Byron Horner	Sept. 26
Canadian National Railways, Director of	James Ramsey	Sept. 26
Deputy of His Excellency the Governor-General	Hon. Thibaudeau Rinfret	Dec. 9
Deputy Minister of Trade and Commerce	Maj. J. G. Parmelee, O.B.E.	Nov. 12
His Majesty's Council, Member of	Hon. George Black	Dec. 17
Honorary Aide-de-Camp (Victoria) to H.E. the Governor-General	Major W. Bapty	Dec. 23
Honorary Aide-de-Camp (Winnipeg) to H.E. the Governor-General	Lieut.-Comm. E. A. Brock	Dec. 23
Honorary Aide-de-Camp (Regina) to H.E. the Governor-General	Col. J. A. Cross, D.S.O., V.D.	Dec. 23
Honorary Aide-de-Camp (Vancouver) to H.E. the Governor-General	Col. W. W. Foster, D.S.O., V.D.	Dec. 23
Honorary Physician (Winnipeg) to H.E. the Governor-General	Col. J. A. Gunn, C.B., O.B.E., V.D.	Dec. 23
Honorary Aide-de-Camp (Calgary) to H.E. the Governor-General	Lieut.-Col. E. R. Knight, V.D.	Dec. 23
Honorary Aide-de-Camp (Vancouver) to H.E. the Governor-General	Sqdn. Leader (Hon. Wing Comm.) D. R. MacLaren, D.S.O., M.C., D.F.C.	Dec. 23
Honorary Aide-de-Camp (Winnipeg) to H.E. the Governor-General	Col. P. J. Montague, C.M.G., D.S.O., M.C., V.D.	Dec. 23
Honorary Aide-de-Camp (Vancouver) to H.E. the Governor-General	Lieut.-Col. A. D. Wilson, D.S.O., V.D.	Dec. 23
Judge of the County Court of Dufferin and Local Judge of the High Court Division of the Supreme Court of Ontario	Walter T. Robb, K.C.	Dec. 22
Lieutenant-Governor of Nova Scotia	Walter Harold Covert, K.C.	Oct. 5
Puisne Judge of Court of King's Bench of Quebec	Paul St. Germain, K.C.	Sept. 14
Puisne Judge of the Supreme Court of Nova Scotia	Hon. William L. Hall, LL.B., K.C.	Oct. 9
Railway Commissioners for Canada, Board of, Chairman,	Hon. Charles P. Fullerton	Aug. 13
Railway Commissioners for Canada, Board of, Member and Deputy Chief Commissioner of	François Albert Labelle	Dec. 16
Railway Commissioners for Canada, Board of, Member of,	George A. Stone	Dec. 16
Senate of Canada, Member of, (Alberta)	Patrick Burns	July 6
Senate of Canada, Member of, (Sask.)	Arthur Marcotte, K.C.	July 6
Senate of Canada, Member of, (B.C.)	Alexander Duncan McRae, C.B.	Sept. 4
Toronto Harbour Commission, Member of,	J. E. Ganong	Nov. 2

1932

(Jan. 1 to June 30)

Office	Name	Date
Canadian Farm Loan Board, Member of,	Charles Duquette	Feb. 18
Canadian National Railways, Director of,	William J. Christie	Mar. 30
Exchequer Court of Canada, Registrar of,	Arnold W. Duclos, K.C.	Mar. 29
Geographic Board of Canada, Member of,	Athos Maxwell Narraway	Jan. 18
"Gypsum Queen" Reparations Case, Commissioner to inquire into	Hon. Horace Harvey	Jan. 27
Honorary Aide-de-Camp (Edmonton) to H.E. the Governor-General	Lieut.-Col. F. A. S. Dunn	Apr. 28
Judge of the Court of Appeal for Manitoba	Stephen E. Richards, K.C.	Mar. 11
Judge of His Majesty's Court of King's Bench for Manitoba	Percival John Montague, C.M.G., D.S.O., M.C., K.C.	Mar. 11
Judge of the County Court of the Counties of Lunenburg, Queens and Shelburne of the Province of Nova Scotia	Arthur Roberts, K.C.	Mar. 8
Judge of the County Court of Grey, Province of Ontario, and Local Judge of the High Court Division of the Supreme Court of Ontario	George W. Morley, K.C.	Jan. 13
Judge of the County Court of Haldimand and Local Judge of the High Court Division of the Supreme Court of Ontario	Wesley S. West, K.C.	Jan. 23

Judge of the County Court of Peel in the Province of Ontario and Local Judge of the High Court Division of the Supreme Court of Ontario	Trevor Hugo Grout, K.C.	Mar. 29
Judge of the District Court of Provisional Judicial District of Manitoulin, Province of Ontario, and Local Judge of the High Court Division of the Supreme Court of Ontario	Albert Brock Currey, K.C.	Jan. 13
Judge of District Court of Judicial District of Assiniboia, Saskatchewan	Thomas Gallant	June 3
Judge of District Court of Judicial District of Battleford, Saskatchewan	Cecil Howard Bell	June 3
Justice of the Peace for N.W.T.	Maj. David L. McKeand	June 16
Member of the Administration and Minister Without Portfolio	Rt. Hon. Arthur Meighen	Feb. 3
Minister of Finance	Hon. Edgar Nelson Rhodes	Feb. 3
Minister of Labour and Minister of Mines	Hon. Wesley A. Gordon	Feb. 3
National Research Council, Member of, (to Mar. 31, 1934)	Dr. Frank Allen	May 18
National Research Council, Member of, (to Mar. 31, 1934)	Prof. H. R. Christie	May 18
National Research Council, Member of, (to Mar. 31, 1934)	John T. Foster	May 18
National Research Council, Member of, (to Mar. 31, 1934)	Dr. F. M. G. Johnson	May 18
National Research Council, Member of, (to Mar. 31, 1934)	Dr. O. Klotz	May 18
National Research Council, Member of, (to Mar. 31, 1935)	Dr. A. S. Mackenzie	May 18
National Research Council, Member of, (to Mar. 31, 1935)	Dr. John Stephens	May 18
National Research Council, Member of, (to Mar. 31, 1935)	Rev. Father Vachon	May 18
National Research Council, Member of, (to Mar. 31, 1935)	Dr. Robert Wallace	May 18
Northwest Territories Council, Member of	Kenneth Robinson Daly	Jan. 12
Northwest Territories Council, Member of	Austin L. Cumming, B.SC.	Mar. 30
Officer-in-Charge of the Government Expedition to the Arctic Archipelago in the N.W.T.	Maj. David L. McKeand	May 12
Puisne Judge of the Exchequer Court of Canada	Eugene Real Angers, K.C.	Feb. 1
Senate of Canada, Member of, (Alma, Que.)	Hon. C. C. Ballantyne	Feb. 3
Senate of Canada, Member of, (Nova Scotia)	William Henry Dennis	Feb. 3
Senate of Canada, Member of, (Nova Scotia)	John A. Macdonald, M.D., C.M.	Feb. 3
Senate of Canada, Member of, (Ontario)	Rt. Hon. Arthur Meighen	Feb. 3
Wild Life Protection, Advisory Board on, Member of,	Kenneth Robinson Daly	Feb. 29
Wild Life Protection, Advisory Board on, Member of,	John William L. Turner	Feb. 29

THE DOMINION OF CANADA

The Governor-General	His Excellency the Rt. Hon. the Earl of Bessborough, P.C., G.C.M.G.

The Canadian Ministry (Conservative)

(As at June 30, 1932)

Prime Minister, President of the Privy Council, Secretary of State for External Affairs	Rt. Hon. R. B. Bennett, K.C.
Minister of Finance	Hon. E. N. Rhodes, K.C.
Minister without Portfolio	Rt. Hon. Sir George H. Perley
Minister without Portfolio	Rt. Hon. Arthur Meighen, K.C.
Minister of Justice and Attorney-General	Hon. Hugh Guthrie, K.C.
Minister of Trade and Commerce	Hon. H. H. Stevens, LL.D.
Minister of Railways and Canals	Hon. R. J. Manion, M.C., M.D.
Minister of National Revenue	Hon. E. B. Ryckman, K.C.
Minister without Portfolio	Hon. J. A. Macdonald
Postmaster-General	Hon. Arthur Sauvé
Minister of Pensions and National Health	Col. the Hon. Murray MacLaren, C.A.M.C., C.M.G., M.D., C.M., M.R.C.S.
Minister of Public Works	Hon. H. A. Stewart, K.C.
Secretary of State	Hon. C. H. Cahan, K.C.
Minister of National Defence	Lt.-Col. the Hon. D. M. Sutherland, M.B., D.S.O.
Minister of Marine and Acting Minister of Fisheries	Hon. Alfred Duranleau, K.C.
Minister of Interior and Superintendent-General of Indian Affairs	Hon. Thomas G. Murphy

The Canadian Ministry (Conservative)—*Continued.*

Solicitor-General	Hon. Maurice Dupré, K.C.
Minister of Labour and Minister of Mines and Acting Minister of Immigration and Colonization	Hon. W. A. Gordon, K.C.
Minister of Agriculture	Major the Hon. Robert Weir

Speaker of the House of Commons ..... Hon. George Black, K.C.

Deputy Heads of Departments

Clerk of the Privy Council	Ernest J. Lemaire
Clerk of the Senate	Austin E. Blount, C.M.G.
Clerk of the House of Commons	Arthur Beauchesne, K.C., F.R.S.C.
Governor-General's Secretary	A. F. Lascelles, M.V.O., M.C.
Auditor-General	Georges C. Gonthier
Deputy Minister of the Interior	H. H. Rowatt
Deputy Minister of Public Works	J. B. Hunter, B.A.
Deputy Minister of Trade and Commerce	(Vacant)
King's Printer	F. A. Acland
Under-Secretary of State	Thomas Mulvey, K.C.
Deputy Minister of National Defence	G. J. Desbarats, C.M.G.
Deputy Minister of Marine	Alexander Johnston
Deputy Minister of Fisheries	W. A. Found
Deputy Superintendent-General of Indian Affairs	(Vacant)
Deputy Minister of Railways and Canals	Valentine I. Smart
Deputy Minister of Agriculture	J. H. Grisdale, D.SC.A., B.AGR.
Deputy Minister of Pensions and National Health	J. A. Amyot, C.M.G., M.B.
Deputy Minister of Finance	(Vacant)
Deputy Minister of Mines	Charles Camsell, LL.D., F.R.S.C.
Deputy Postmaster-General	L. J. Gaboury, B.A.
Deputy Minister of Labour	H. H. Ward
Deputy Minister of Immigration and Colonization	W. J. Egan
Superintendent of Insurance	G. D. Finlayson, B.A.
Deputy Minister of Justice	W. Stuart Edwards, K.C.
Under-Secretary of State for External Affairs	O. D. Skelton, M.A., PH.D., LL.D.
Commissioner of Customs	R. W. Breadner
Commissioner of Excise	G. W. Taylor
Commissioner of Income Tax	C. Fraser Elliott
Registrar of the Supreme Court	J. F. Smellie, K.C.
Deputy Minister of Public Archives	A. G. Doughty, C.M.G., LL.D.
Chairman, Civil Service Commission	Hon. W. J. Roche, M.D., LL.D.
Civil Service Commissioner	J. E. Tremblay
Civil Service Commissioner	N. McF. MacTavish, M.A., D.LITT.
Commissioner Royal Canadian Mounted Police	Major-General J. H. MacBrien
Parliamentary Librarian	Hon. Martin Burrell, P.C.
Chief Electoral Officer	Jules Castonguay

Other Chief Dominion Officers

Dominion Statistician	R. H. Coats, B.A., F.S.S. (Hon.), F.R.S.C.
President, National Research Council	H. M. Tory, M.A., D.SC., LL.D., F.R.S.C., F.R.H.S.
Surveyor-General	F. H. Peters
Commissioner of National Parks	J. B. Harkin
Chief Commissioner, Railway Commission	Hon. G. P. Fullerton, K.C.
Chief Commissioner, Board of Grain Commissioners	E. B. Ramsay
Comptroller of the Treasury	Watson Sellar

THE PROVINCE OF ONTARIO

The Henry Government and Unemployment Relief

In Ontario, as in every other Province, unemployment was the major issue in 1931 and relief, both direct and in the form of employment, continued to be an increasingly heavy burden during the early months of 1932. The situation appeared to be a problem not wholly of an emergent character, but rather one that threatened to confront the Government for some time to come and one that demanded the establishment of permanent policies and the assistance of private effort if a solution were to be found. Toward this end a Committee was appointed by the Henry Government early in June, 1932, to study conditions in the Province.

The first year in office was a strenuous one for Hon. George S. Henry, Prime Minister since December, 1930. On July 31, 1931, he relinquished the Portfolio of Highways to Hon. Leopold Macaulay who had been Provincial Secretary for about ten months. George H. Challies, Member for Dundas, succeeded Mr. Macaulay as Provincial Secretary, taking under his administration at the same time the Department of Game and Fisheries, hitherto under the jurisdiction of the Minister of Mines. Another official announcement affecting the Province during 1931, was that Hon. W. D. Ross, Lieutenant-Governor of the Province, had been granted leave of absence by His Excellency from Nov. 25 to the expiration of his term in January, 1932, and until such time as his successor might be appointed; and that, in the meantime, Rt. Hon. Sir William Mulock would be Administrator.

Early in the Summer of 1931, the Prime Minister, after a conference at Ottawa with the Dominion Minister of Labour, announced that the same Special Committee of the previous year, headed by the Provincial Minister of Public Works, Hon. J. D. Monteith, and with J. A. Ellis, Director of the Bureau of Municipal Affairs, as a Member, would continue to administer relief in the Province; that a system of registration would be inaugurated; and that employment would be provided for about 30,000 single men on the Provincial section of the Trans-Canada Highway and other road work. Regulations were inaugurated by the Ontario Government in September in accordance with which municipalities were called upon to draw up new programmes of construction, as Government grants would not be made in future for works already undertaken unless they were primarily to relieve unemployment. In a statement to the Press on Oct. 21, the Acting Prime Minister, Hon. W. H. Price, explained that grants had been approved by the Provincial Government to 150 municipalities including practically all the cities and larger towns, toward the construction of municipal works involving an expenditure of over $12,000,000, 25 per cent. of which would be

paid by the Province; 50 per cent. by the municipalities; and, when finally approved by the Dominion, the balance by that Government. It was urged in this same statement that committees of citizens be formed to assist, in conjunction with municipal officials, in the raising of funds for direct relief. As another measure of relieving existing hardships, it was arranged by the Government in December (1931), that there would be no foreclosures, in cases where obligations could not be met, by the Provincial Agricultural Development Board which held $35,000,000 in farm mortgages. Later, during the 1932 Session of the Legislature, legislation was enacted providing for a modified mortgage moratorium.

Certain changes in Government policy with regard to relief were made known toward the Summer of 1932. In May, when announcing the proposed appointment of a Committee to study the matter of a more uniform and standardized method of relief distribution in the municipalities, the Prime Minister stated that while direct relief payments under Dominion-Provincial regulations would be continued by the Government, no more money would be expended to provide employment, the stage having been reached when economies had to be effected. It was later explained that in the case of municipalities which were in difficulty, through non-payment of taxes or inability to collect them, the Provincial Government would contribute an additional amount. In the following month Ontario joined with the Dominion, in a back-to-the-land movement by which 1,000 families in the Province, the majority of whom were in northern Ontario, were to be taken care of during the ensuing Winter. The cost was to be shared by the Dominion and Provincial Governments and the municipalities.

Toward the end of the Summer (1932) the Citizens' Advisory Committee (Chairman, W. R. Campbell) on the unemployment relief situation in the Province, appointed in June, 1932, issued its Report. The Committee declared that it viewed "with apprehension the evidences of a steady increase in transiency and of the menaces to social well-being which it presents." It recommended, in part: (1) that a three-months' uniform residence qualification in a municipality be adopted by the Province as constituting eligibility for becoming an applicant for relief in any municipality, preliminary to which a registration should be taken of all persons 18 years of age; (2) the prohibition of begging at doors of residences and of the soliciting of money on streets; (3) the inauguration by the Government of internment farms for those who refused co-operation; (4) the establishment of a Public Welfare Board in each municipality getting relief aid from the Dominion and Province; (5) that, in connection with the issuance of direct relief, no cash should be paid out to the recipient so long as the proposed order vouchers were being issued; and (6) that, with respect to the question of relief shelter, the monthly maximum for shelter, water and light, should in no case exceed $16, charges to be kept as much below the maximum as possible.

Political Affairs. Politics for the most part during the year centred around the Hydro-Electric Power Commission of Ontario, discussions of which for some years had been periodically interjected into platform and Parliamentary speeches by Opposition Members. It needed but the fillip provided in certain evidence before the House of Commons Special Committee of Inquiry into the Beauharnois project in July, 1931, to develop this recurring criticism into a barrage which culminated in a Commission of investigation. Authorized in February, 1932, after every effort had been made by the Government to avoid what appeared to be a needless expenditure of public funds during a period of unusual economic stress, the scope of the Inquiry embraced two issues in which the Hydro-Electric Power Commission was actually involved; this was enlarged, under a new Commission in April, to include a third item.

"Beauharnois" also reared its head in another direction in the Province during the period under review. On Aug. 5, about a week after the revelations of the Report of the Committee Inquiry of the House of Commons, rumours of discord in the ranks of the Ontario Liberal Party were confirmed in a statement issued to the Press by W. E. N. Sinclair (Liberal House Leader), in connection with a telegram which he had sent to Liberal Members of the Legislature shortly before the holding at Liberal headquarters of a luncheon of which W. R. P. Parker, Vice-President of the Ontario Liberal Association, was, he claimed, host. Included in Mr. Sinclair's statement was his telegram: "In view startling disclosures advise remaining away from meeting Monday. Will call Members together when Inquiry closed." He referred at length in his statement to the "Beauharnois episode" and declared: "I can not associate myself . . . . with any of those who have been identified in any way with the unsavoury facts brought out in the recent Inquiry." Mr. Parker, in a counter reply, also given to the Press, denied that he had been host at the luncheon. Referring to power contracts he asked why Mr. Sinclair had not made a proper effort to oppose Ontario agreements with private interests in Quebec. Hon. A. C. Hardy, President of the Ontario Liberal Association, became a participant in the fray a day or two later when in *The Globe* of Aug. 7 he charged "that time, apparently, has not softened the rage of Mr. Sinclair against his rejected leadership and his desire for revenge against the Liberal Convention of last Summer . . . " Mr. Sinclair came back with an open letter to Senator Hardy which appeared in *The Globe* of Aug. 14. Senator Hardy's answer in reply to Mr. Sinclair's demand as to whether or not he (Senator Hardy) had had any part in the negotiations relating to the Beauharnois Order-in-Council passed by the Mackenzie King Government, was that he had had no interest, whatever, "direct or indirect, monetary or otherwise, in the Company or any of its undertakings or subsidiaries."

At the Annual Convention of the Ontario Liberal Association in London, Oct. 20-21, 1931, Mitchell F. Hepburn, Liberal Leader of Ontario, spoke mainly on the affairs of the Hydro-Electric

Power Commission, maintaining that the public had reached a point at which they were questioning the price of their power, and that Chats Falls, Abitibi, and MacLaren developments should be investigated. Referring to the Dominion Power and Transmission Company purchase, he claimed that Sir Adam Beck had turned down the property for less than one-third the figure that the Henry Government had paid for it. W. R. P. Parker, while making an appeal for funds, referred to the $2,000 he had obtained from R. O. Sweezey, President of the Beauharnois Power Corporation: "The money went to the support of our Party . . . Mr. Sweezey is a Liberal and had a perfect right to contribute to the Party funds." Resolutions were passed calling for a moratorium for one year on foreclosures of mortgages on private dwellings and farms; demanding a Royal Commission to investigate the Hydro-Electric Power Commission of Ontario; urging the formation of a non-partizan body to supervise private expenditures in Northern Ontario; and deploring the failure of the Government to deal effectively with agricultural problems. Hon. A. C. Hardy was re-elected President of the Association. An incident of the first day's meeting was the refusal to permit Mr. Harry Sifton (Independent Liberal) to address the gathering in reply to Rt. Hon. W. L. Mackenzie King (Liberal Opposition Leader of the House of Commons) who had spoken on Dominion affairs.

Some months later, on Dec. 10, during a speech before the West Middlesex Liberal Association, Mr. Hepburn announced that an arrangement had been made between the Liberal and Progressive Leaders to co-operate as an Opposition in the field of Provincial politics. H. C. Nixon (Progressive Leader) made a similar statement to the Press. Mr. Sinclair (Liberal House Leader) in an interview with *The Mail and Empire*, expressed approval of the arrangement. Speaking at Sudbury, on Mar. 9, 1932, Mr. Hepburn declared: "We, as a Liberal Party, are no longer supporting the cause of Prohibition and never will, as long as I am Leader of the Party. Prohibition is no longer an issue; the issue before the people to-day is the financial situation in this Province."

Four By-Elections were held in Ontario between July 1, 1931, and June 30, 1932. Three of these were due to the deaths of the sitting Members all of whom had been members of the Cabinet until September, 1930, when their resignations, on account of ill-health, had been accepted by the Prime Minister, Hon. G. Howard Ferguson, who had then reorganized the Cabinet, just three months prior to his own resignation following his acceptance of the office of High Commissioner for Canada in London. The fourth vacant constituency was that of Dundas, occasioned by the appointment, on July 31, 1931, of George H. Challies, Member for that riding, as Provincial Secretary and who was re-elected by acclamation on Aug. 29. The results of the By-Elections in the other constituencies, formerly occupied by John S. Martin, Lincoln Goldie and Dr. J. Forbes Godfrey, respectively, were as follows:

Norfolk (July 8, 1931), Arthur Campbell Burt (Con.), 5,513; Eric William Cross (Lib.), 5,455; Alexander Charles Stewart (Ind.), 300; majority (Burt), 58.

Wellington South (Nov. 18, 1931), Paul Munro (Lib.), 7,292; William P. Gamble (Con.), 7,001; majority (Munro), 291.

West York (May 28, 1932), Harry I. Price (Con.), 6,485; W. J. Gardhouse (Lib.), 5,641; John W. Buckley (Lab.), 3,699; J. M. Reid (Soc.), 82; majority (Price), 844.

The 1932 Session of the Legislature

The Third Session of the Eighteenth Legislature of the Province of Ontario was opened by the Rt. Hon. Sir William Mulock, K.C.M.G., Administrator of the Government, on Feb. 10, 1932. In the Speech from the Throne reference was made to the problems arising out of existing economic conditions in Canada and elsewhere and to the stability, in the face of these difficulties, of the country's public credit and financial institutions; to the Imperial Economic Conference of July, 1932; to the conferences between the Dominion and Ontario Governments on the appropriate division of the costs, as between navigation and power development, of the International section of the St. Lawrence River, in connection with the proposed Seaway Treaty. The Speech also referred:

To the means adopted by the Government toward the alleviation of the unemployed in the way of funds for direct relief and in the form of work; to the high level of agricultural production with a depreciated financial return; to the organization of the Fruit and Vegetables Markets Council by the recently created Marketing Board; to the increase in school attendance and in training schools; to the expansion in distribution of electrical energy by the Hydro-Electric Power Commission of Ontario—both the Provincial and local Commission having increased their reserve funds; to the securing by the Commission of the important addition to its generating facilities of the flow of the Ottawa River at Chats Falls—the outcome of co-operation between the Provinces of Ontario and Quebec; to the extremely low prices of base metals as well as silver with a resultant low production—a condition offset by a much higher output of gold with a still greater production forecast for the year 1932; to the improved health conditions in the Province, including a thorough investigation of the methods of prevention, diagnosis and treatment of cancer; to the 200 miles of extension to the King's Highway and the payments of nearly seven millions of dollars to municipalities for road purposes; to the Labour legislation to be proposed for consideration; to the expected formation of a Public Welfare Association; to the relief to be afforded the Province and municipalities under the new arrangement whereby the Dominion Government would assume 75 per cent. of the cost of Old Age Pensions; to the improvement in the administration and discipline of Reformatories and Penal Institutions and to the segregation, in a larger measure, of first offenders from habitual criminals and to the hoped-for results from the reorganized Board of Parole; to the constitution, under legislation enacted in 1931, of the Security Frauds Prevention Board over the administration of the Security Frauds Prevention Act and to the coming into operation of The Real Estate Brokers' Act; to the extension of the Temiskaming and Northern Ontario Railway to James Bay; to the activities of the Fish and Game Committee; to proposed legislation in the form of relief for mortgagors; to an Amendment to The Old Age Pension Act, to enactments respecting the operation of Industrial Farms and the amalgamation of the Ontario Railway and Municipal Board with the Bureau of Municipal Affairs, etc.

Following the Speech from the Throne the two new Members, Arthur Campbell Burt (Con., Norfolk) and Paul Munro (Lib., South Wellington), elected at By-Elections during the Recess, having been formally introduced to the House, took their seats.

The Motion: "That a humble Address be presented" was introduced by Argue Martin (Con., Hamilton West) Feb. 11, when he summarized the affairs of the Hydro-Electric Power Commission and enlarged on the increase in power output—from a peak of 605,000 h.p. in 1922 to 1,520,989 h.p. in 1931, while the reserves had risen during the same period from $8,562,840 in 1922 to $62,600,000 in 1931. J. A. Sanderson (Con., Grenville) in seconding the Motion, drew the attention of the House to the comparatively sound condition of Ontario municipalities.

The Debate on the Motion was commenced on Feb. 16, by W. E. N. Sinclair, K.C. (House Leader of the Liberal Opposition). He declared that while it was the duty of all Members to do their utmost to advance the interests of Ontario he was "not going to refrain from criticizing Government measures or Government Acts." Referring to the generally expressed opinion of the need of public economy he stated that he had been urging economy during every Session of the Legislature since he had become a Member, "yet the extravagant expenditure of public money has continued until now, faced with depression, the Government has been forced to talk economy when it is most difficult to practise it." He criticized the Government for paying over $8,000 to Mr. E. C. Drury (Prime Minister of Ontario for the period, 1919-1923, during the Progressive *régime*)—for salary which he abandoned while in office. He stated that the Government's action was illegal—any claim that might have existed was outlawed by Statute and the payment by special warrant established a bad precedent. Mr. Sinclair claimed that the composition of the Ontario Hydro-Electric Power Commission was purely partizan. The Royal Commission appointed to investigate the affairs of the System, he held, should have been clothed with wider powers, and he moved, seconded by G. A. McQuibban (Lib., Wellington, N.-E.), that all the words of the Motion after the first word "That" be struck out and the following substituted therefor:—

This House condemns the Government for its failure to accede to the demands for a judicial inquiry into the payment of $125,000 to John Aird, Jr., by Mr. R. O. Sweezey at or about the time the contract was completed between the Hydro-Electric Power Commission of Ontario and the Beauharnois Light, Heat and Power Company for the purchase of 250,000 h.p. of electricity by the Hydro-Electric Power Commission of Ontario, and into all the circumstances connected with the following contracts made by the Hydro-Electric Power Commission of Ontario for the purchase of power: 1. The Gatineau contract, May, 1926, 260,000 h.p.; 2. The Gatineau contract, December, 1927, 60,000 h.p.; 3. The Wahnipitae purchase, February, 1929, $2,700,000; 4. The Chats Falls contract, August, 1929, 96,000 h.p.; 5. The Beauharnois contract, November, 1929, 250,000 h.p.; 6. The Abitibi contract, April, 1930, 100,000 h.p.; 7. The MacLaren contract, February, 1931, 125,000 h.p.

Mr. Harry C. Nixon (Progressive Leader) followed Mr. W. E. N. Sinclair. He declared that it would be in the public interest to dissolve the Legislature and to call a General Election immediately after the close of the Session—the Government had, really, no mandate to impose the crushing taxation already in existence and the additional proposed measures. He criticized the Department of

Agriculture and the Hydro-Electric Power Commission and demanded a probe into the Aird payment of $125,000.

Hon. George S. Henry (Prime Minister), speaking on the same day (Feb. 16), during the Debate on the Address, took occasion to reply to the criticisms of the Liberal and Progressive Leaders. He declared that Ontario's power purchases from Quebec were forced upon the Hydro-Electric Power Commission solely because the King Government had thwarted Ontario's rights in the St. Lawrence development. Dealing with the money that had been paid by R. O. Sweezey of the Beauharnois Corporation, Mr. Henry declared with vehemence: "There is no evidence that one dollar of the Beauharnois contributions for political funds ever reached the Conservative Party in this Province, or in the Dominion." Referring to the Amendment to the Motion for an Address-in-Reply to the Speech from the Throne, the Prime Minister described it as "A pure fishing expedition, just as much as the one in 1921 or 1922, that cost $500,000, and could only say at the end that 'Hydro' was all right," and he declared that he opposed it "for the simple reason that public ownership cannot thrive or live, but will die a natural death, if the public in this Province is to be continually roused with suspicion by those who are opposed to it." Mr. Henry stated that there would be but a small list of enactments during the Session; that it had been decided to allow the major pieces of legislation to stand in abeyance until more normal times, when the problems could be approached with a better viewpoint; and that this was particularly so with regard to the Municipal Act and the Assessment Act. Dealing with the question raised by W. E. N. Sinclair (Liberal Opposition House Leader) in respect of the payment to Mr. Drury, the Prime Minister explained:

> I was requested by the former Prime Minister that he be paid the balance he did not collect of his salary while he was in office during 1920, 1921 and 1922. He did not collect in the last year the full amount at the rate of $12,000 a year. There was some doubt raised in legal minds as to whether the money was still available or not . . . To meet the situation and to accede to the request of the gentleman it was decided to pass it by special warrant . . . I think the honourable Member was foolish in not taking his money while in office. He apparently did not appreciate the amount of money he would spend, because a man in public life does not make any money out of his position . . . Consequently the Government felt that the question of legality having been raised, the money should be provided for him by special warrant.

The Prime Minister, resuming the Debate on the 18th, devoted some time to replying to "a whispering campaign" which he said was being carried on in connection with his position on the directorate of the North American Life Assurance Company. He explained fully the details of the purchase of stock of the Company, in which as a Director he had been asked to invest, and of the subsequent sale of this same stock upon the mutualization of the Company a month previously. He summed up the situation briefly: "In a word, I gave $9,300 for the stock, held it at an earning capacity of less than 2 per cent. and received the sum of $10,500 for my

investment. Now . . . there is an inspired whispering campaign rather suggesting that I am somewhat of a scallywag and made $50,000 out of the purchase and sale of this stock."

Mr. Henry also answered certain allegations relative to his position as Director in the Acme-Farmers Dairy Company which, not confined to "whispering", had been made by the Liberal Leader of Ontario and had led to the circulation of wild stories. Twenty-three years previously, he stated, when the farmers adjacent to Toronto were faced with a problem very similar to that of "to-day", he with a number of other members of the Milk Produce Association applied for incorporation as a Company and, commencing in a small way, operated successfully for 20 years. After selling out at the peak of prices at a very handsome figure, when every holder of stock received an equal share of money, "I was asked to continue as Director, in fact, as President, although with no executive duties devolving on me at all." (*The Mail and Empire*, Feb. 19, 1932).

The Prime Minister's speech included a discussion of Mitchell Hepburn's (Ontario Liberal Leader) public ownership affiliations. He read excerpts from an anti-public ownership pamphlet published in Chicago; and matched them word for word with excerpts from Mr. Hepburn's speeches reported in *The Globe*, quoting the pamphlet itself to this effect: "In case of a thorough-going anti-municipal-ownership campaign you will find this information indispensable." "The Liberal Leader," declared Mr. Henry, "stands up and expresses faith in 'Hydro' and public ownership, and then he seizes a copy of an organ directly built up for the purpose of destroying public ownership anywhere." The Prime Minister advised the Liberal Party of Ontario to recall Mr. Hepburn and drive him out as unworthy of credence. Mr. Henry closed his speech by moving, seconded by Hon. Charles McCrea (Minister of Mines)—that all the words in the Amendment after the first word "that" be omitted and the following be substituted therefor:—

> The following be added to the Address: 'and this House assures your Honour of its adherence to the principle of the development, acquisition and distribution of electrical power at cost for the people of Ontario by the Hydro-Electric Power Commission and its organization, whose record of integrity, efficiency and administrative capacity long has been a source of pride and material advantage to the Province.

Ten Members spoke during the Debate on Feb. 23 and on the 25th it was resumed, when Hon. Charles McCrea spoke for three hours during which "he covered the whole range of 'Hydro' historically—from the private power grabs preceding the days of Sir James Whitney, right down to the Beauharnois probe, the $125,000 obtained by John Aird, Jr., from R. O. Sweezey, and the 'Valley of Humiliation.'" (*The Mail and Empire*). Mr. McCrea showed that in 1924 Sir Adam Beck had reported that not only was the Chippewa of 500,000 horse power marketed, but that Ontario was faced by a power crisis, foreshadowing actual shortage and the need for steam plants unless the St. Lawrence could be developed. The Ottawa River was controlled by the Georgian Bay Canal Company charter

held by Harry Sifton and, therefore, could not be developed. Overtures had been made to the King Government to approve plans for Ontario for power plants on the St. Lawrence, not to interfere with future navigation requirements, but the King Government had asserted Federal ownership of the water in navigable streams and had delayed action by sending an abortive reference to the Supreme Court of Canada. Ontario had been forced, therefore, to buy power from the Gatineau, the MacLaren and the Beauharnois Companies even when doing so meant contracting in advance of the need, in order to have power to meet all requirements until the St. Lawrence could be developed, for Sir Adam had foreseen an entire shortage by 1940, even with the St. Lawrence developed. In closing, the Minister of Mines claimed that there was no case for investigation with regard to the affairs of the Hydro-Electric Power Commission . . . that not one of the 685 municipalities receiving power from the System had made a complaint or asked for this investigation. Mr. McCrea resumed the Debate on Mar. 1, occupying the attention of the House again for nearly three hours. He took *The Globe* to task for an editorial on his address in the House on Feb. 25. He charged that the policy adopted by the Ontario Liberal Convention was the same that the Sifton interests sought to promote in respect of the Georgian Bay Canal charter of 1927, namely, that the power users should be required to pay the cost of canalization. He suggested that the Liberal Party should get rid of both Mr. Hepburn and Mr. Sifton and throw out the power resolution adopted at its last Convention in the interest of the industrial life of the Province. In time Canada would have a great St. Lawrence canal, he said, but the Liberal policy of having this canal paid for by the users of the power generated was erroneous . . . Cheap power was necessary, and cheap power could not be made available under the Sifton policy of making power-users pay the cost of canalization.

Dr. George A. McQuibban (Liberal Whip) followed Mr. McCrea in the Debate. He charged that the Ontario Government and its Hydro-Electric Power Commission since 1926 had committed the Provincially-owned Electric System of Ontario to the purchase of outside power to cost $600,000,000 over a period of years—and that there was no need to contract for a single horse power of it. Contract after contract, he declared, had been entered into with "bewildering boldness" in a mad orgy of buying "based on the bogey of power shortage," after which Hon. Howard Ferguson and his "Hydro" Commission Chairman (C. A. Magrath) had moved off "to the wings of the stage." And as the power from these outside purchases had become available, he contended, unit after unit of generating machinery at Niagara was shut down—or would be. (*The Mail and Empire*). He asserted that "Hydro" was on the lips of the entire Province—with a question mark. Dr. McQuibban said that he joined with the Prime Minister in denouncing the Chicago private ownership publication from which, according to Mr. Henry, Mr. Hepburn had obtained his facts. "Not one Member

of this sturdy group of Liberals inside this House even knew it existed; we are not contaminated with it," he declared. "And as for Mr. Hepburn, he is quite capable of taking care of himself." Dr. McQuibban said he had made three visits to Niagara Falls and Queenston plants and had studied the situation there at first hand with one of the engineers of the Hydro-Electric Power Commission. The Toronto Power Company plant at the Falls was shut down; the Ontario Power plant was at a low ebb; and even Queenston was far from "the straining point."

On the same day (Mar. 1), in answer to Opposition criticism levelled against the export of surplus power by the Hydro-Electric Power Commission, Hon. George Challies (Provincial Secretary) gave the same explanation as that given by Government Members in other years when this point was raised in debate. (See *The Canadian Annual Review 1930-31* and preceding volumes). The Hydro-Electric Power Commission, he further explained, had found it necessary to purchase power because the average yearly increment for the previous four years had been 96,000 horse-power and the demand must be estimated years in advance.

Mr. Sinclair (Liberal Opposition House Leader) resumed the Debate on the Address on Mar. 3. He bluntly charged that the Hydro-Electric Power Commission, instead of being in the forefront for the Seaway and cheaper electric current, had gone on a power-buying spree to Quebec—the Province which had been instrumental in making the Beauharnois contract, and with that contract, the present halt in Seaway progress. He contended that the Commission, by the development of public opinion, could have had the Seaway begun long ago, but that it did not want it. He demanded the establishment forthwith of an "Ontario policy for Ontario," asserting that the Seaway had to be forced for the benefit of Ontario as a solution to the latter's transportation and power problems. Mr. Sinclair directed his remarks to the speech of Hon. Charles McCrea, who, he contended, although he had been rushed into the Debate as a defender of the Hydro-Electric Power Commission, had spoken rather more in the defence of the Government than in the defence of the Commission. The Minister of Mines, he said, had gone to great pains to show that the $125,000 Aird payment did not go to the Tory Party, but he failed entirely to deal with it as a matter in relation to the Hydro-Electric Power Commission. Mr. Sinclair claimed that if all the credit for the success of the Hydro System was due to the Tory Party, as intimated by Mr. McCrea, then all blame for failure must lie at their door. "Where have we power at cost to-day?" he asked. "Not at Queenston, where they are running about half capacity, with full overhead costs; not at any of the Niagara plants, one of which is completely idle and the other partly idle. Not in the case of purchased power, where the profit is paid to the producers when we buy the power. Power users are paying interest on dormant power-sites investments. They are paying profits on power purchased, so that power at cost is a thing of the past."

Mr. Nixon (Progressive Leader) followed (Mar. 3) Mr. Sinclair in the Debate on the Address, and devoted the greater part of his speech "to reflections upon the Prime Minister in connection with the latter's position on the directorate of the North American Life and the Acme-Farmers Dairy." (*The Mail and Empire*). Mr. Nixon claimed, with Mr. Sinclair, that the Prime Minister's Amendment to the Amendment was out of order and that by framing it "the Government had only made things worse for themselves," and that "somebody is going to sweat blood trying to unscramble this terrible 'Hydro' mess." (Mr. Henry later replied to the above allegations with regard to his affiliations with certain companies in substantially the same words as on Feb. 18).

The Prime Minister wound up the Debate on the Address on the same day (Mar. 3), and in doing so departed from his usual custom of speaking extemporaneously by reading his statement, "a lengthy, technically-worded document." (*The Globe*). "One of the highlights of Mr. Henry's speech was the declaration that he would be very much surprised if, before the House prorogued, there was not an agreement specifically completed between Ontario and the Bennett Government, whereby Ontario would, without doubt, own the waterflow in the St. Lawrence for power purposes and Ontario's rights would be admitted and defined." (*The Mail and Empire*). The Prime Minister, during his speech, undertook particularly to reply to the criticism against the Hydro-Electric Power Commission launched by Dr. McQuibban (Liberal Whip), who had asserted that if the Niagara plants had been worked to the capacity of Ontario's treaty rights to water diversion, not one horse power need have been purchased outside. The statement was branded by the Prime Minister as being "utterly false," which brought Mr. Sinclair to his feet with the claim that the latter remark was contrary to the rules of the House, while Mr. Henry, amid much desk pounding, declared: "Leave it to the House," where the incident closed. Proceeding, the Prime Minister explained that in the interest of accuracy he had committed his statement to writing, having secured his facts from the Hydro-Electric Power Commission and its staff. Dr. McQuibban, he stated, had said that the peak demand on the Niagara system was 867,963 horse power; that the three plants at Niagara had a joint capacity of 920,000 horse power; and that there was, therefore, no need to enter into the outside contracts. This statement, the Prime Minister declared, was incorrect. Dr. McQuibban, he pointed out, had entirely overlooked the power demand on the Gatineau Power supply—219,000 horse power—and his failure to include that had put him hopelessly out of count, for, instead of the peak demand being 867,963 horse power, it actually was 1,086,963 horse power; that instead of the capacity of the three Niagara plants being 920,000 horse power, the actual capacity was 837,890 horse power—to meet a peak demand of 1,086,963 horse power. Mr. Henry showed that if Ontario used all the power she was permitted to divert under Treaty with the United States, it would be far short of the volume

required to keep the Niagara plants working continuously at capacity; that to keep these plants so would require a steady diversion of 42,000 cubic feet per second, but under the Treaty only 24,500 cubic feet per second was possible.

The Amendment to the Amendment, previously moved by the Prime Minister, having been put, was carried, 76 to 19. The main Motion for an Address-in-Reply to the Speech from the Throne, as amended, was then put and carried on the same division. There were three pairs.

Mr. Nixon (Leader of the Progressives) rose to a question of Privilege in the Legislature on Mar. 7. The point raised was an item in *The Mail and Empire* of the previous Friday in connection with the Debate on the Address-in-Reply to the Speech from the Throne. It read: "Mr. Nixon ran foul of Hon. Charles McCrea when he argued that the Sifton Georgian Bay Charter originally was granted by 'the natural source of special privilege'—a Tory Government." In making his point, Mr. Nixon read clauses from the Federal Act of 1894 and subsequent Amendments thereto granting the charter in question and which as he understood it, confirmed his statement in the House to the effect that the original charter, granted by "a Tory Government" conferred the right of developing power, which Hon. Charles McCrea had denied that it did. "I felt it was within my rights," concluded Mr. Nixon, "to bring this to your attention on the question of personal privilege as I admit the Minister rather put it over me. I made the mistake of taking the Minister and his statement at face value." Mr. McCrea was not in the House when this question of privilege was under consideration but on the following day (Mar. 8) rising on a point of personal privilege, the Minister of Mines said: "During the Debate last Thursday the Member for Brant (Mr. Nixon), in giving a list of the renewals of the charter, stated that it had first been given in 1894. I said then, and I repeat now, that it did not contain the right to develop power. This House, the Members and the Honourable Member knew that by power was meant power to be sold for commercial purposes. The original Act did not grant that. The clause in the original Act did not give the right to develop and dispose of commercial power. We find Sifton himself, in appearing before the Committee, stating that it was perfectly clear that the legislation had not been created for two objects . . . Those who owned the charter realized the situation which in 1894 was not interested greatly in power, but by 1912 had realized that power was an important issue in world development of energy."

The Budget Address. Presenting his second Budget Address on Mar. 11, 1932, Hon. Edward A. Dunlop, Provincial Treasurer, reminded the House that no Government in Canada or, perhaps, elsewhere "has as comprehensive a programme of social welfare, humanitarian and philanthropic legislation as has the Government of the Province of Ontario." Financial demands on account of these activities for unemployment relief, etc., "are substantially augmented in times such as the present." The Provincial Treasurer stated that the Province of Ontario had carried this burden during the previous year remarkably well. Ordinary Revenues had, within a relatively

few thousand dollars, been sufficient to provide for the Ordinary Expenditures, including unemployment relief. Eliminating the expenditure on account of direct relief, the Ordinary Revenue of the Province for the fiscal year ended Oct. 31, 1931, had exceeded the Ordinary Expenditure by upwards of a quarter of a million dollars. Mr. Dunlop then proceeded to deal with the Revenues and Expenditures for the year. Revenue was $54,390,092 as compared with $52,235,019 in 1930—an increase in Ordinary Revenue for the year of $2,155,073. Ordinary Expenditure for the year, exclusive of Debt charges, was $43,385,132, as compared with the similar Expenditure for the year 1930 of $43,085,018—or an increase for the year of $300,114. The charges on account of Provincial Debt were $11,461,862 for 1931, as compared with $9,796,062 in 1930—a total Expenditure in 1931 of $54,846,994, as compared with $52,881,080 in 1930, and an excess of Ordinary Expenditure over Ordinary Revenue of $456,902. No provision was made in the year ended Oct. 31, 1931, for Debt Retirement on Provincial account although Debt Retirement in full on account of moneys advanced the Hydro-Electric Power Commission had been provided for. (The Gross Provincial Debt as at Oct. 31, 1931, was $518,566,500 and the Net Debt, $244,027,128).

As compared with 1930 the principal increases in Ordinary Revenue for 1931 were as follows: Liquor Control Board, $2,515,000. The amount received by the Government from this source was $10,000,000 in accordance with the estimated revenue in the Budget statement of 1931. The profits of the Board for 1931 were $1,509,346 less than this figure and the estimated revenue was paid in full to the Government by drawing on the surplus profits in the hands of the Board which were $4,585,264 as of Nov. 1, 1930. There was still a surplus of profits in the Board's hands of $3,076,918 as of Nov. 1, 1931, and "any statement that the Government had robbed the Liquor Board in order that the full estimated receipts from that source should be available" was entirely erroneous. Other increases shown in Revenues for 1931 were: Lands and Forests, an increase of $1,046,000; Gasoline Tax, an increase of $193,000; Motor Vehicles, $63,000; Corporations Tax, $1,250,000—the latter accounted for by reason of the legislation of the previous year extending the application of the Corporations Tax to all incorporated companies doing business in the Province. Decreases in Revenue occurred in the following: Law Enforcement, $295,000—due to the falling off of fines imposed; Mines Branch, $222,000—due to loss in royalties in decreased demand of sand and gravel; Game and Fisheries, $60,000; Succession Duty, $1,725,000; Amusements Tax, $194,000, and Stock Transfer Tax, $120,000.

With regard to Expenditure the following increases were shown: on the Interest on the Public Debt in 1931, $1,666,000; Educational Grants, etc., $466,000; Game and Fisheries, $66,000; Public Health Services and Public Institutions, $191,000; Old Age Pensions and Mothers' Allowances, $238,000; Government contribution to the Teachers' and Inspectors' Superannuation Fund, $83,000, and to the Public Service Superannuation Fund, $117,000. Grants in aid of Agriculture were increased by $190,000. Decreases in Expenditure were shown as follows: $321,000 in the Attorney-General's Office, accounted for largely by the fact that the expenses of the last General Election were paid for in the financial year of 1930; the Mines Department showed a decrease in Expenditure of $106,000; Public Works, $60,000 and Public Highways, $754,000. The Provincial Treasurer pointed out that salaries and grants had been reduced and services curtailed to a fine point.

Two long-term loans had been issued during the year 1931. A $30,000,000, 4½ per cent. instalment issue maturing 1932-1971 was sold in January, 1931, on a cost basis of 4.598 per cent. In June, 1931, a $30,000,000, 4 per cent. instalment issue, maturing, also, 1932-1971, was sold on a basis of 4.409 per cent.—the latter figure representing the cheapest long-term money the Province had obtained since before the War. Referring to the loan of $25,000,000 floated in January, 1932, which bore 5.90 per cent. interest on the long-term loan and 6 per cent. on the short-term loan, the Provincial Treasurer explained that the rate of interest had been finally decided upon after consultations with representatives of banks, bond houses and other men who were well-versed

in Canadian financial affairs. Early in January the Province of New Brunswick had floated a 15-year issue on a basis slightly in excess of 5¾ per cent. Notwithstanding the undoubtedly high credit which the Province of New Brunswick enjoyed, and the fact that the loan was relatively for a small amount, the issue did not meet with any enthusiastic response. Some ten days later, the City of Montreal came into the market with a $15,000,000 15-year issue on a 6 per cent. basis and bond prices steadily fell, which is equivalent to saying that interest rates steadily rose. At that time more was involved than the securing of $25,000,000 by Ontario—in itself a large sum of money—but it was essential that the loan should be promptly over-subscribed. The credit of Ontario and Canada would have materially suffered had there been any hesitancy manifest on the part of the public in taking up this issue. Its tremendous success did more to re-establish confidence in Ontario and Canada as a whole in New York than anything that had happened during the previous five months. "With possibly one exception," Mr. Dunlop continued, "in so far as I can learn, we are the first foreign government which has been able to renew a loan in the New York market since England abandoned the gold standard in September last. I am satisfied that this result would not have been achieved had our loan not been so quickly and readily over-subscribed." Two opinions of the encouraging effect of the over-subscription of the Ontario loan were quoted by the Provincial Treasurer. In part these were: "There has been a revival of interest in the retail market that suggests a restoration of some measure of confidence. A greater interest has been shown in utility and sound industrial issues." (*The Financial Times*, Montreal, Feb. 12, 1932). "One of the most encouraging developments on the Canadian government and municipal bond market since the first of the year was the rapid over-subscription of the $25,000,000 Ontario issue, following which there was a much better tone apparent throughout the whole market . . . This movement in turn was reflected in a strengthening in bond prices throughout the provincial and municipal list." (*The Monetary Times*, Toronto, Feb. 5, 1932). Of the total issue of 25 million dollars, $21,526,000 was subscribed in the Province of Ontario, and $3,474,000 outside the Province. Total subscriptions to the issue were to the amount of $64,842,500. Subscriptions to the short-term issue were allotted in full up to $10,000; from $11,000 to $50,000, 50 per cent.; $51,000 and over, 20 per cent. Of the long-term issue, subscriptions to $25,000 were allotted in full; $26,000 to $50,000 to the extent of 50 per cent. and $51,000 and over, 33⅓ per cent.

Mr. Dunlop stated that the Government had decided upon a general salary reduction of the Provincial Civil Service on a graduated scale, effective Jan. 1. This reduction, to continue in operation until Oct. 31, was made effective by Order-in-Council on the following basis:

2	%	up to and including	$ 1,000.					
2½	%	on amount over	1,000	and up to	$2,000.			
3	%	" "	2,000	" "	"	3,000.		
4	%	" "	3,000	" "	"	5,000.		
5	%	" "	5,000	" "	"	6,000.		
20	%	" "	6,000	" "	"	10,000.		
25	%	" "	10,000.					

Dealing with the Estimates for the year ending Oct. 31, 1932, the Provincial Treasurer gave the Estimated Ordinary Revenue as $56,005,000 as compared with $54,390,000 for 1930-31, an increase for the year of $1,615,000. The Estimated Ordinary Expenditure, exclusive of Public Debt charges and direct unemployment relief was $37,920,000 as compared with $42,595,000 for the year 1931—a decrease of $4,675,000. Adding interest charges on the Public Debt in the amount of $13,560,000 and estimated payments for New York exchange, $1,660,000, and an estimated Expenditure on account of direct unemployment relief of $2,500,000, the total Expenditure during the year would be $55,640,000, leaving an Estimated Surplus on account of the year's operations in the amount of $365,000, or eliminating Direct Relief, a balanced Budget with Debt Retirement provided. "We will take care of the debt retirement requirements on behalf of the moneys advanced to the Hydro-Electric Power Commission in full (Mr. Dunlop stated), but there is no provision

in this estimate for any debt retirement on account of Provincial debt exclusive of the Hydro-Electric Power Commission. The statement of Receipts and Expenditures as presented herewith is unique and I doubt if a similar statement has often, if ever, been presented to a Legislative body. The expenditures in connection with the administration of the affairs of this Province show a decrease in every department of the administration excepting that of the Provincial Treasurer."

Comparison between the Actual Expenditure of 1931 and the Estimated Expenditure for 1932 (year ending Oct. 31, 1932) of the several Departments were: Lieutenant-Governor, $6,000 (1931: $6,000); Prime Minister's Department, $158,000—a saving of $15,000 as compared with 1931; Attorney-General, $2,750,000—a decrease of $35,000 from 1931 (included in the 1932 figures was the sum of $300,000 to be returned to the various municipalities as fines, in accordance with a "recent" judgment of the Privy Council—an extraordinary and unusual expenditure); Insurance, $65,000, as compared with $72,000 for 1931; Education, $10,048,000, as compared with $11,829,000 in 1931; Lands and Forests, $1,330,000 as against $2,130,000 for 1931; Northern Development, $1,922,000 as against $2,066,000 in 1931; Mines, $363,000, a reduction of $20,000; Game and Fisheries, a reduction by $11,000; Public Works, a reduction of $51,000; Highways, a reduction of $290,000 for maintenance and repairs (in 1931 there had been a reduction of $754,752 as against the 1930 Expenditure); Public Health in 1932, at $787,000, showed a reduction of $72,000 from 1931; Hospitals, at $4,960,000, a reduction of $269,000 from 1931; Labour, at $334,000, showed a saving of $9,000; Children's Aid, at $240,000, a saving of $7,000; Old Age Pensions, in 1932, a reduction in Expenditure of $527,000—accounted for by the increase in the proportion of the cost of Old Age Pensions taken care of by the Federal Government; payments under the heading of Mothers' Allowances in 1932 were $1,615,000, as compared with $1,479,000 in 1931; and miscellaneous expenditures in the Department of Welfare, at $315,000, showed a saving of $73,000. The Provincial Treasurer's Department, in so far as services were concerned, indicated a saving of $31,000, but expenditures made through the Provincial Treasurer's Office, such as the Government's contribution to the Public Service Superannuation Fund and to the Teachers' and Inspectors' Superannuation Fund—uncontrollable items, the contributions thereto being fixed by Statute—accounted for an increase of $43,000 in 1932 as compared with similar Expenditures in 1931; in Agriculture there was a reduction in Expenditure in 1932 as compared with 1931 of $456,000, and miscellaneous Expenditures, at $400,000, compared with Expenditures under the same item in 1931 of $559,000. Other Departments also showed proportionate savings during the year; all Services making a total estimated saving of $4,675,000.

Notwithstanding these estimated savings and economies in 1932 of nearly $5,000,000, the Provincial Treasurer stated that in order to present a balanced Budget it was necessary to raise additional revenue to the extent of approximately $4,000,000 from proposed emergency taxation measures; one of these, an Amendment to the Corporations Tax Act, was expected to produce about $2,000,000 in net revenue. It was hoped to obtain from an increased Amusement Tax, $200,000; from a one cent increase in the Gasoline Tax, $1,350.000; from an emergency Tax on spirituous liquor and imported wines, $500,000; and, in addition, other amounts from revenue-producing taxation which would be enacted during the Session. Mr. Dunlop concluded his Budget Speech as follows: "With these sources of revenue we expect to be able, at the end of this financial year, to take care of all the Ordinary Expenditures of the Province; to provide for $2,500,000 by way of direct relief to unemployment, and to end the year with a surplus of Ordinary Revenue over Ordinary Expenditure of $365,000." Then followed the Motion that the House resolve itself into a Committee of Supply.

The Debate on the Budget. The Debate was inaugurated on Mar. 15 by F. W. Elliott (Lib., N. Bruce), "the Liberals' new financial critic . . . He raked the Queen's Park Administration fore and aft on its financial

policy—past, present and future—and targeted the recent domestic loan, in particular, as a move of which the Government had little reason to be proud. The main object of this loan, he charged, had been to demonstrate ability to sell bonds, and its rapid over-subscription was ample proof, he contended, that the interest yield had been too high. Its main result had been to nullify the chances of municipalities securing reasonable rates in future on their own moneys." (*The Globe*). The increase in the Public Debt, he maintained, was almost unbelievable. The total for the year was $46,945,148, of which $31,000,000 was admitted by the Province as non-revenue earning. The total Provincial Debt stood at $518,566,500. The bank balance had decreased $2,917,000 during the year. To pay the interest on this Debt would require a payment of $7,870 every day during the coming year. From a $30 per minute debt interest charge in 1923, when the Government came into office, it had risen steadily to $45 in 1930, and then leaped to $50 during 1931. Concluding his speech, Mr. Elliott moved, seconded by N. O. Hipel (Lib., Waterloo S.), an Amendment to the Motion to go into Supply, condemning "the Government for its alarming increase in the Public Debt and its failure to place the financial condition of Ontario fairly before the people." More than half a dozen other Members spoke during the Debate on the same day.

A. Russell Nesbitt (Con., Bracondale) speaking on Mar. 16, "broached the subject of Communism for the first time within the four walls of the Assembly Chamber." (*The Globe*). He referred particularly to the Young Communistic League. In all, 26 Members participated in the Debate on the Budget which was one of the shortest on record, being concluded on Mar. 17 by the Speeches of the Liberal, Progressive and Government Leaders.

A feature of the closing hours of the Debate was the attack by the Liberal House Leader (Mr. Sinclair) on the "political leanings in the Cody leadership of the University of Toronto," coupled with his charge that the vague, indefinite statements of the Hydro-Electric Power Commission with reference to the recent Ottawa exposure of "some dealings between Ferguson and Sweezey" had only aggravated public suspicion and increased public demand for a wide-open inquiry. (*The Globe*). Mr. Sinclair warned the House that the proportions to which the Public Debt of the Province had reached called for serious consideration, and he urged for a return to a simpler method of public accounting so that financial statements could be more readily understood by Members of the House. He failed to see anything in the argument that the over-subscription of the $25,000,000 loan proved the solvency of the Province. "It proves merely the desire of the people to get a good investment at a good rate of interest."

The Progressive Leader (Mr. Nixon) largely devoted his speech to a criticism of the Province's financial position. "Truly," he declared, "the Treasurer's statement is without parallel in disclosing a period of uncontrolled extravagance, a largely increased Debt and increased taxation, which has brought amazement and dismay to our people . . . The Government has had seven fat years, but instead of 'laying up corn in Egypt' it carried out the financial policy as laid down by the previous Treasurer, when he said: 'We had the money and we spent it; it was the natural thing to do.'"

The Provincial Treasurer (Mr. Dunlop) replied to Mr. Nixon's criticism. "Every dollar of the Provincial Revenue," he declared, "is shown in the Public Accounts; every dollar of the Provincial Expenditure is shown in the Public Accounts . . . Much has been said of the interest rate of the investment which this Province put out last January . . . The issue was not put on the market without a great deal of thought, and financial experts were consulted . . . . . It was essential that any flotation this Province made should not become a drug on the market." He contended that through the success of the Ontario Issue, not only Dominion, but also other high class bonds had gone up, and the rate of interest had consequently fallen. In reply to a question by Mr. Nixon as to why the Government had not advertised the loan, Mr. Dunlop said: "We canvassed the market, and there was not an institution prepared to put in a firm bid for such a large security as

$25,000,000; and the market was such as to preclude the possibility of floating in that way."

The Prime Minister (Mr. Henry), whose speech closed the Debate, referred to a statement made by the House Leader of the Liberal Opposition to the effect that the actions of the Hydro-Electric Power Commission were subject to approval by the Lieutenant-Governor-in-Council. "No one will deny that," said the Prime Minister. "It is a proper method. But no one, knowing these facts, would argue that the Government itself, having a competent Commission to conduct its affairs and guide "Hydro," takes any part in the actual details of contracts. Such details are left to the Commission, and the Commission leaves the engineering and technical side of the problem to its competent staff of engineers." Turning his attention to the points brought out by Mr. Nixon (Progressive Leader), the Prime Minister said: "The honourable Member for Brant says we should lay up surpluses in 'palmy days.' I say it is wrong for a Government to have large surpluses at any time. A Government should never tax its people beyond its needs." In reply to an interjection by the Leader of the Progressives as to whether it would be wrong to pay off some of the Debt in "palmy days," Mr. Henry retorted: "That is the programme we have undertaken. We are the only British Parliament that has set up a permanent programme of Debt Retirement. Once we get out of this situation we shall take care of the lapses in the Debt Retirement." Referring to the criticism by Mr. Sinclair (Liberal House Leader) of the appointment of Rev. H. J. Cody, LL.D., as President of the University of Toronto, the Prime Minister said: "I am somewhat surprised at my honourable friend bringing up the question of Dr. Cody's appointment. I think we all agree that if we attempted to pick out a dozen distinguished graduates to select a President, Dr. Cody's name would be one of those selected. It was very fitting that the University of Toronto, having a distinguished graduate within reach, should call upon him to assume this high post. Dr. Cody is over 60 years of age, but he is a man in the prime of life. He graduated from the University in the eighties and he became a lecturer and continued in that work until he joined the Board of Governors, of which he became Chairman. Ever since his freshman days he has been closely identified with the University and has taken the keenest interest in its welfare . . . It is not fitting that it should be said that he was chosen as President of a great University because of his political leanings."

The Amendment to the Motion to go into Supply moved on Mar. 15 by F. W. Elliott (Lib., North Bruce) condemning the financial policy of the Government, was lost on division, 19 to 78, after which the main Motion was carried on the same division, following which the House resolved itself into Committee of Supply.

Additional Estimates: 1932 and 1933. Supplementary Estimates for the fiscal year ending Oct. 31, 1932, totalling $5,366,168 were tabled on Mar. 16. The Attorney-General's Department accounted for $34,640; Education Department, $1,582,900; Lands and Forests Department, $8,125; Mines Department, $1,329.63; Game and Fisheries Department, $69,900; Public Works Department, $1,231,017.87; Highways Department, $33,825; Health Department, $219,900; Labour Department, $33,041.50; Public Welfare Department, $2,072,000; Provincial Treasurer's Department, $46,075; Provincial Secretary's Department, $5,825; Agriculture Department, $30,524; Miscellaneous, $66,345.

Main Estimates for the fiscal year ending Oct. 31, 1933, were introduced on Mar. 21. Estimates for the various Departments were as follows: Lieutenant-Governor's Office, $6,450; Prime Minister's Department, $3,244,050; Legislation, $357,000; Attorney-General's Department, $2,468,330; Insurance Department, $66,125; Education Department, $8,262,622; Lands and Forests Department, $2,292,515; Northern Development Department, $641,450; Mines Department, $357,100; Games and Fisheries Department, $692,975; Public Works Department, $1,084,810; Highways Department, $633,775; Health Department, $7,245,725; Labour Department, $415,741.50; Public Welfare De-

partment, $4,758,950; Provincial Treasurer's Department, $583,700; Provincial Auditor's Office, $101,325; Provincial Secretary Department, $1,285,130; Agriculture Department, $2,532,159; Miscellaneous, $566,000; and Total, $37,595,932.50.

Incidents of the 1932 Session. Hon. George S. Henry (Prime Minister), replying to an assertion of Harry C. Nixon (Prog., Brant) that the Government had no mandate from the people to increase taxation, declared in the House on Mar. 22 that the Government had a mandate to carry on a business administration and that no taxation, except what was necessary to balance the Budget, had been imposed by the Government. "In the Budget Debate," he continued, "I failed to hear one word of commendation from the Members opposite for the Government's cutting nearly $5,000,000 off expenditures. This was done largely by cutting grants. It is apparent to the public that our first responsibility is to balance the Budget. With all revenues declining except Gasoline Tax, which in most years is 15 to 20 per cent. over expenditures, but which this year is only a few thousand over $10,000,000, the Government found it necessary to apply new taxation. When we proposed taxes on great corporations, and asked them to supply a few thousand, we were endeavouring to have them assume a proper share of the burden of taxation." (*The Mail and Empire*).

A Bill that excited a good deal of interest as well as criticism in the House, in the Press, and in women's organizations in Ontario, was one introduced by the Attorney-General (Hon. W. H. Price). It proposed to vest in His Majesty the King, absolutely, in the right of the Province of Ontario, free from all claims whatsoever, the Estate ($520,000) of Charles Millar (deceased) of Toronto, the said Estate to be held for the use and benefit of the Governors of the University of Toronto. The Executors and Trustees of the Estate named in the will (The Toronto General Trusts Corporation, National Trust Company and George Roy Sproat) were to continue as such for five years; and during that period were to pay all income accruing annually from the Estate, after providing for all necessary expenses in connection with its administration and management, to the Governors of the University of Toronto. The introduction of the Bill arose mainly on the ground of the impracticability of the clause in the will providing that after the expiration of ten years from the date of Charles Millar's death the residue of the estate should be turned into cash and given to the mother who, since his death, should have given birth in Toronto to the greatest number of children as shown by registration under the Vital Statistics Act. When the Bill came up for its second reading on Mar. 23 it was vigorously attacked by both W. E. N. Sinclair (Liberal House Leader) and Harry C. Nixon (Progressive Leader). Although the Bill received second reading, on Mar. 24, when it reached the Committee stage, it was withdrawn by Mr. Price, who stated that while the Bill had been introduced at the suggestion of the trustees of the Millar estate, the Government had finally come to the conclusion that the undertaking would impose too great a responsibility upon the Lieutenant-Governor-in-Council in the matter of settling claims.

There was an animated debate in the House on Mar. 23 over the Resolution of Harry C. Nixon (Progressive Leader) petitioning the Federal Government not to fill the office of Lieutenant-Governor for one year, Sir William Mulock, Chief Justice of Ontario, to continue in the meantime as Administrator. The Prime Minister (Hon. George S. Henry) urged Mr. Nixon to withdraw the Resolution on the ground that, in view of the historic background attaching to the representatives of His Majesty in Ontario and the other Provinces, it would, in every way, be inexpedient to support such a Resolution. But Mr. Nixon refused to comply, and during his speech dwelt upon the expense which would be saved if the filling of the office were deferred for a year, contending that the most important feature of Chorley Park, the Lieutenant-Governor's official residence, was its social functions. W. E. N. Sinclair, Leader of the Liberal Opposition, considered the Resolution was not necessary, since no appointment appeared to be likely for some time, because the Ottawa Government "did not dare to appoint the one man who was

willing to take the position for the fear of something happening in the riding" he represented in the House of Commons. Mr. Henry, urging the House to vote down the Resolution, pointed out that the responsibilities of the Lieutenant-Governor were much more far-reaching than merely opening and proroguing the Legislature, and that the occupant of the office did much to weld Ontario into a composite and successful whole. "I think," continued the Prime Minister, "that we sometimes forget that this Legislature is as sovereign as the Imperial House itself." The Resolution was defeated.

When a Bill, sponsored by Charles E. Richardson (Con., S. Perth), requiring the registration of all engineers after examination, came before the Private Bills Committee on Mar. 15, Hon. Charles McCrea, Minister of Mines, declared that the entire mining world was up in arms against the Bill, "and, in my judgment, properly so. If the measure were to go through men who have been outstanding in mining circles would be held back in their work." The Committee killed the Bill.

Hon. J. M. Robb, M.B., Minister of Health, announced in the House on Mar. 23 that no reduction would be made in the Provincial and Municipal grants to hospitals for the care of indigent patients, thus setting at rest a rumour that the Provincial *per diem* allowance would be reduced from 60 to 50 cents and the Municipal allowance from $1.75 to $1.50. A few days before this a deputation from the hospitals had waited upon the Minister urging that no reduction be made in the allowance.

Hon. Leopold Macaulay, Minister of Highways, when on Mar. 10 requesting Arthur Ellis (Con., Ottawa South) to withdraw his Bill vesting all control of buses and trucks in the Ontario Railway and Municipal Board—which he did—pointed out that 763 public passenger vehicles registered during the year, with a total of 3,673 public commercial vehicles out of a total registration for all vehicles of some 560,000, and he added: "The Government does not feel in the position to have some other body handle such revenue over which we would have no control."

Prorogation and Legislation of the 1932 Session. The Third Session of the Eighteenth Legislature of the Province of Ontario was prorogued on Mar. 29 by Rt. Hon. Sir William Mulock, K.C.M.G., Administrator for the Government of the Province, when Assent was given to 114 of the 148 introduced Bills during the Session. Early in his Speech the Administrator announced that his Ministers expected shortly to arrive at an agreement with the Federal authority in relation to the construction of a joint Seaway and Power Development in the international section of the St. Lawrence River. By the appointment of a Commission to control the waters of the Grand River and its tributaries it was expected, the Speech stated, that far-reaching advantages had been conferred on an important portion of the Province. "This undertaking is designed to remedy conditions which periodically involve serious danger to life and property." The Report of the Royal Commission on the Use of Radium in the treatment of the sick, it was pointed out, "was a valuable contribution to the available information on the subject. During the Recess the recommendations made will receive detailed consideration by the Government."

The Speech made reference with considerable detail to the Bills passed during the Session, among the more important of which were those granting the sums of $5,366,168 for the Public Service for the fiscal year ended Oct. 31, 1932, and $37,591,932 for the fiscal year ended Oct. 31, 1933; the Ontario Loan Act, authorizing the Government to raise a loan not exceeding $40,000,000; an Act to Appropriate $5,000,000 for Northern Development; and those Acts intended to supplement the Revenue of the Crown. These and other legislation are described in the following paragraphs:

An Act to amend the Corporations Tax Act (Bill No. 128) increased the tax on branch offices of banks from $100 to $200; increased the tax on life insurance companies from 1¼ per cent. on premium income to 1¾ per cent.; on fire insurance companies, from 1 per cent. to 1⅔ per cent.; and on all other companies, from 1 per cent. to 2 per cent.; increased the tax on loan com-

panies from 1/25 of 1 per cent. on paid-up capital and 1/25 of 1 per cent. on money invested in Ontario, to 1/20 of 1 per cent.; increased the tax on telegraph companies from 1/5 of 1 per cent. on moneys invested in Ontario, to 1 per cent. (applying only to commercial lines); increased the tax on telephone companies from 1/4 of 1 per cent. on paid-up capital to 3/8 of 1 per cent.; a new tax of $50 upon each place of business of every incorporated company, providing that where the capital of a company was less than $60,000 there should be a minimum tax of $20 and a maximum tax on capital and offices not to exceed 1/5 of 1 per cent. of the paid-up capital. The tax on express companies would lessen the strain on those suffering from decreased revenue.

One of the bitterest debates of the Session took place on Mar. 24, when Opposition Members attacked the Fuel Oil Tax of the Government, a tax of one-half cent a gallon on "every person who consumes any fuel oil in the Province." A tax of ten cents per gallon on native wines, payable by purchasers, was provided for in Bill No. 143. This law went into force May 1, 1932. An Amendment to the Amusements Tax Act widened the definition of "place of amusement" and increased the maximum tax payable by every person attending such place to 50 cents instead of 25 cents as formerly. An increase in the Gasoline Tax from five to six cents a gallon was provided for by an Amendment to the Act.

The Mortgagors' and Purchasers' Relief Act was introduced on Feb. 11 by Col. Price (Attorney-General) who had previously obtained the consent of the House to get the Bill in motion as soon as possible owing to the exigencies of the existing period of depression. The Bill prohibited, without the permission of a judge, the taking of "proceedings by way of foreclosure or sale or otherwise" or the proceeding "to execution on or otherwise to the enforcement of, any judgment or order of any court, whether entered or made before or after the passing of this Act, for the recovery of principal money secured by any mortgage of land or any interest therein made or executed prior to the passing of this Act." Progress of the Bill through Committee of the House was slightly delayed on Feb. 24 to permit of certain minor Amendments being made to which the Attorney-General had agreed. One of these, suggested by F. G. McBrien (Con., Brockton-Toronto), provided, that instead of confining the application to a "judge" who "sits in chambers only two days a week" they should be made to the Master "who sits six days a week," thus facilitating procedure. The Bill came up for third reading on Feb. 27, with clauses inserted providing that "the application shall be upon originating notice in accordance with the practice of the Supreme Court," and "in the County of York to the Master and in any other county or district to the local judge of the Supreme Court sitting in Chambers." The Bill received the Royal Assent on Mar. 4; was in effect as from Feb. 1, 1932; and was to remain in force until the expiration of 30 days from the "close of the next Session of the Legislature."

An Act respecting The Ontario Municipal Board was a revision of a number of "bearing" Acts and contained new sections covering the additional general municipal jurisdiction which was being conferred upon the newly-constituted Ontario Municipal Board, also the provisions under which the Board would exercise control over defaulting municipalities. The Bill specifically declared that "the Ontario Railway and Municipal Board as heretofore constituted shall, under the provisions of this Act continue, but hereafter shall be called the Ontario Municipal Board." It also designated that the members of the old Board should continue as members of the new Board. Hon. W. H. Price (Attorney-General) who introduced the Bill which received its first reading on Mar. 16, explained that the newly-constituted Board was commissioned to render service upon any municipal matter in respect of which its opinion was desired; it was empowered to scrutinize the debenture issue of any municipality and, "most important of all, it may declare a moratorium when a municipality is in default, or may become in default, and thus prevent suits against a municipality. The Board may inquire into the affairs of the municipality upon the request of the municipality itself or of 20 per cent. of its creditors. In the event of the municipality defaulting, the Board may

set up a committee of five supervisors, two of them nominated by the municipality, two to represent the creditors, and the fifth, an independent person, who will be Chairman . . . The Board will have ultimate and exclusive jurisdiction in all matters and an appeal will lie from any decision of the supervisors at the instance of any person affected." Both Government and Opposition Members agreed in commending H. L. Cummings, Law Clerk of Private and Municipal Bills, for his work on this Bill which had required eight months of intensive study.

An Amendment to the Municipal Act enabled a municipality, which had expended money for the relief of a person who had not been resident for one year, to recover the amount from the municipality in which the person had resided for that period of time. Another Amendment was for the purpose of effecting general improvement in the system of auditing municipal accounts by the compulsory appointment of qualified auditors. A third Amendment provided, among other things, that the bond of a security company only might be accepted as security to ensure proper and adequate bonding and to avoid chances of loss through personal securities proving to be insufficient. A fourth Amendment provided for the election of councils in a town in unorganized territory.

An Act for the Protection of Persons Employed in Factories, Shops and Office Buildings made a number of changes of more or less importance in former covering legislation. In the case of youths or young girls (children over 14 years of age) it was provided that the hours of labour "shall not exceed 10 hours in any one day nor 60 hours in any one week." Under permit a factory might operate by double shifts, with certain prescribed hours. Restaurants were added to the list of buildings which must be properly heated. One amended section provided for the inspection of homes where garments or articles of clothing were being manufactured under contract. A new section provided regulations for the protection of persons in any industrial process involving the use or manufacture of benzol or any industrial poison. Another Amendment ensured the inspection of uninsured boilers and other pressure vessels by qualified engineers. Use of outside fire escapes above the fifth floor in any factory, shop or office building was prohibited by a new subsection.

The Apprenticeship Act, 1932, introduced by Hon. J. D. Monteith, M.D., C.M. (Minister of Public Works and Labour), amended the Apprenticeship Act, 1928. The Bill received criticism from both the Liberal and Progressive Leaders in the House. This was answered by a statement from Dr. Monteith to the effect that since the Act had been placed on the Statute Book in 1928 it had been altered but slightly, although it had been experimental legislation. For years it had been noticed by both employers and journeymen that an increasing dearth of apprentices was forcing the importation of workmen from Great Britain. It had been found that the committee of ten which controlled the administration of the Act, made selection of boys and administered funds, was cumbersome and under the Amendment before the House the membership of the Commission was reduced to three.

An Act to Amend the Old Age Pensions Act was enabling legislation to permit of a new agreement with the Dominion Government under the latter's new Act whereby the Dominion Government would take care of 50 per cent. or more of all Old Age Pensions in the Province; the Act also provided for the payment by Municipalities of 10 per cent. of the pensions and for pension applications to be made direct to the local authority.

Amendments to The Workmen's Compensation Act provided for compensation payment to be made three days after accident or injury instead of seven days as formerly; for dental treatment; for the addition to the list of industrial diseases of "bursitis," "dermatitis" and infected blisters caused by handling certain tools. An Act to aid in the prevention and settlement of Industrial Disputes repealed the Trade Disputes Act, 1927:—Some years previously the Privy Council decided that the Industrial Disputes Investigation Act was invalid upon the ground that it dealt with matters which were not within the legislative control of Parliament; it was, therefore, thought desir-

able that the Act should be adopted by the Provinces in some way and the Bill was intended to do this when setting out all the provisions of the Dominion Act. An Amendment to the Mechanics' Lien Act clarified the extent of priority on a prior mortgage. An Amendment to the Game and Fisheries Act prohibited the use of dogs for the hunting of deer, moose or caribou in all sections of the Province and permitted the killing of dogs that were so used. An Amendment to the Cemetery Act provided for the establishment and maintenance of crematoria and columbaria; and defined the latter as any structure designed for storing the ashes of human remains which had been cremated, and the former as a building fitted with proper appliances for the incinerating and the cremation of human remains.

An Amendment to the Insurance Act (respecting Automobile Insurance) repealed Part VI of the Ontario Insurance Act, relating to contracts of automobile insurance and providing what terms and conditions, including so-called statutory conditions, might or should be included in policies; substituted therefor a new Part VI embodying a general revision of the existing Statute. The enactment of the Bill also involved the repeal of certain Sub-Sections in Section 87 of the Highway Traffic Act, relating to the financial responsibility of motorists. The Bill was recommended by the Superintendents of Insurance of the Provinces of Canada for uniform enactment at the current Sessions of the Legislatures of all Provinces. The Insurance (Temporary Provision) Act, 1932, announced in its preamble that "whereas on an appeal to His Majesty in his Privy Council it had been declared that the regulation of the business of insurance is a matter of Provincial and not of Dominion jurisdiction; and whereas by reason of that decision the existing laws of the Province relating to insurance require revision," it was "expedient to empower the Lieutenant-Governor-in-Council, pending such revision, to make orders and regulations by way of temporary provision." The Bill also declared that "all orders and regulations made under this Act shall have the force of law."

When the Bill of E. F. Singer (Con., Toronto, St. Andrews), designed to put an end to a practice on the part of insurance companies of discriminating against applicants for insurance on the ground of their race or religion, came up for its second reading on Mar. 22, the mover cited instances in which fire insurance companies had discriminated against Jews in the issuing of policies. Eight Members of the House spoke on the subject, and while all supported Mr. Singer in the principle that unfair discrimination against Jews and other religious bodies should be terminated, some of them questioned the ability of the Bill to obtain the desired end. Hon. George S. Henry (Prime Minister) approved of the Bill being sent on to the Legal Bills Committee, which was done after receiving the second reading. As finally passed and placed upon the Statute Book the Amendment to the Insurance Act read: "Any licensed insurer which discriminates unfairly between risks within Ontario because of the race or religion of the insured shall be guilty of an offence."

An Act to amend the School Laws enlarged the definition of a school section—in future to be any school area for which a school board had been established; set apart as a township school area—by by-law—the whole or portion of a township; prevented those living in unorganized territory where no school was established from escaping from the payment of taxes when their children attended school elsewhere or of a different kind; fixed, at one month, with provision for extension, the time during which arbitrators appointed for any of the purposes were to make their award. The Act also provided: for a retiring school board to be able to fix a date earlier than the third Wednesday in January for the meeting of a newly organized board; for the meeting of transportation costs by the school section in which a pupil resided; for the definite conclusion of an engagement of a teacher before the commencement of duties; for a clear conception of the composition and mode of election of a public school board in cities of over 100,000 where the election would be by general vote. Other items were included in the Act.

The Statute Law Amendment Act made a variety of changes: in order to facilitate the revision of the voters' lists in the County of York it provided

that two additional judges should be added to the Board; it clarified the fact that money deposited with the Government Savings Bank could be reached by the process of law in the same manner as money deposited in any chartered bank; it provided that witnesses, owing to the new problems that had arisen under the Evidence Act in connection with the introduction of the Divorce law, should be given the same protection as "party or spouse;" it classed companies incorporated to acquire the assets of insolvent companies, in order to protect creditors and shareholders, with mining companies and companies whose assets were of a wasting company; and it also provided that the Extra Provincial Corporations Act should apply to all extra Provincial corporations carrying on business in Ontario, almost all such having been hitherto outside the operations thereof.

An Act to make Uniform the Law respecting Registration of Corporation Securities was designed to secure the registration of securities against chattel property in Ontario and to give the proper priority to the holders of such securities over subsequent purchasers and mortgagees.

An Act to Assist Co-operative Associations in Marketing Agricultural Products enabled the Department of Agriculture to make loans to producers' co-operatives with the object of increasing the grading, storing and marketing of agricultural products—the basis of making loans being the approved value of the property of the co-operative, with lending power up to fifty *per centum* of value except in the case of cold storage plants and, in this case, up to thirty *per centum* of value, the maximum loan in the first-mentioned case to be $2,500 and, in the second case, $30,000. The Agricultural Development Board was to administer the loans.

An Amendment to the Liquor Control Act enlarged the definition of native wine to permit its dilution by the addition of water, honey or sugar to conform with the Dominion Government regulations of 1931, which provided for the fortification of native wines by grape spirits obtained from Ontario-grown grapes. Telephone systems were enabled by an Act to extend into areas situate outside the limits of an organized municipality and to provide for the collection of the cost of service. An Act respecting Interprovincial Drainage Works made provisions for an agreement for the carrying out of drainage work of an inter-provincial character. An Act to amend the Succession Duty Act restored the old law relating to joint accounts which were free of succession duty. Representation in Council was reduced to University of Toronto, University of Western Ontario and Queen's University by an Amendment to the Medical Act. An Amendment to the Assessment Act made it possible for a portion of paid taxes to be refunded in cases of vacant land, something a Court of Revision formerly had not the power to do. An Amendment to the Local Improvement Act required that a municipal council desiring to construct pavements, sewers and other works could only do so with the approval of the Municipal Board. An Amendment to the Highway Traffic Act limited the exemption from registration of motor vehicles owned by residents to such of the other Provinces as granted reciprocal privileges to residents of Ontario; ensured the use of adequate driving lights by motor vehicle operators; reduced the length of trucks and trailers, coupled together, from 65 feet to 50 feet; and prohibited trucks from travelling so close together as almost to be in train. The Steam Boiler Act provided that owners and manufacturers knowingly contravening the terms of the Act would be subject to heavy fine, while minor contraventions, not otherwise accounted for, would be penalized.

The Workmen's Compensation Act Inquiry. By Commission, dated Jan. 22, 1931, Hon. W. E. Middleton, Justice of the Court of Appeal for Ontario, inquired into the advisability, or otherwise, of making Amendments to the Workmen's Compensation Act, upon subject other than detailed administration. The investigation had in view, particularly, the consideration of recommendations made by the Convention of 1927 of the Trades and Labour Congress of Canada at Edmonton, together with other suggestions from Labour and employers and from the National Labour Coun-

cil. In his Report, tabled in the Ontario Legislature on Feb. 29, 1932, the Commissioner quoted the following items of increased compensation asked by Labour which had been in the form of a report submitted to the Labour Meeting at Edmonton: (1) that the basis of the maximum wage for the purpose of compensation should be increased from $2,000 to $2,500; (2) that the amount payable for funeral expenses should be increased; (3) that the proportion of wages payable in the case of permanent total disability should be increased from 66⅔ per cent. to 75 per cent.; (4) that a similar change should be made in the case of partial permanent disability; and (5) that the minimum payment for total disability should be increased from $12.50 a week to $15. The Commissioner stated that the increases proposed would cost $6,370,000 for the first year and $1,375,725 for subsequent years and he advised against all increases, giving as his reason: (1) that under existing conditions of industry it would mean disaster; (2) that the allowance under the Ontario Act was the highest paid anywhere; (3) that no likely future condition in industry would justify further increases: in addition to 66⅔ per cent. wages industry was paying medical expenses; (4) that increases with reference to accidents which had already happened would be a complete departure from the scheme of the Act "which is that the industry as it existed at the date of the accident should bear the entire financial burden resulting from the accident . . . How great this would be can be appreciated by comparing the amount necessary to be raised in the first year, over $6,000,000, with the total reserve now on hand with the Board to meet future payments, somewhat over $26,000,000." The principal recommendations of the Commissioner were: (1) that certain diseases be added to the existing list, infected blisters, cancer arising from the manufacture of pitch and tar, dermatitis, and bursitis; (2) that dentistry treatments should be accorded; (3) that payment be made of hospital bills for compensated persons who did not pay such accounts; (4) that the Board be empowered to lessen the assessment against certain employers or particular industries by a system of merit rating where it was shown that any industry had a particularly good record due to special care in accident prevention; (5) that the "waiting period" be reduced from one week to three days; (6) that the Board be authorized, in cases of accidents being the direct result of illegal employment of a minor, to collect the whole compensation or such part as the Board might determine from the employer.

The Commissioner rejected the plea of osteopaths and drugless healers that they be regarded as medical practitioners under the Act. He also rejected the healers of the Church of Christ Scientist, and, while he admitted the dentists on equal terms with the medical practitioner, he rejected the idea that the medical profession should be represented by a doctor seated upon the Workmen's Compensation Board. (See Amendments to the Act under "Legislation of 1932").

The Cancer Commission. Under authority of an Order-in-Council dated May 29, 1931, a Royal Commission was appointed to inquire into and report upon the use of Radium and X-rays in the treatment of the Sick. Members of the Commission were: Rev. H. J. Cody, LL.D. (Chairman), and Prof. J. C. McLennan, Toronto, Dr. W. T. Connell, Kingston, and Mr. Arthur Ford, London. The Commission pursued its inquiry in Ontario, the United States, the British Isles and in European countries. Subsequently, further investigation was made in the United States, and in other parts of Canada, followed by meetings with medical bodies and individual medical men at various points in Ontario. The Minister of Health for Ontario, Hon. J. M. Robb, M.B., accompanied the Commission and J. W. S. McCullough, Chief Inspector of Health, acted as Secretary. While the studies of the Commission were largely directed to observing the curative effects of radium and of the diagnostic and curative capabilities of X-rays, opportunity was taken to inquire into all sides of the problem of cancer control in the countries visited. The Commission found that while the clinical results in Ontario were excellent and quite equal to those found elsewhere, the facilities for such work outside surgery were quite inadequate. While the largest hospital

in Ontario had but two high-voltage X-ray machines and less than half a gramme of radium (in 1931 the Toronto General Hospital added half a gramme) some clinics seen by the Commission in the United States, the British Isles, and in Europe had eight or more grammes of radium and from six to eight high-voltage X-ray machines. In most of the countries visited there were found centres for cancer treatment with well-equipped staffs of pathologists, radiologists, physicists, physicians and surgeons, all trained to collaborate. Ample opportunity also was provided for the education of trained personnel and of medical students. The Commission had been organized to inquire into and report upon certain phases of cancer treatment. Recommendations as embodied in the Report are summarized as follows:

"(1) That the use of radium and X-ray of suitable wave-lengths and intensity for cancer in certain parts of the body, and also for many in non-malignant conditions is of high value; (2) that it would be advisable for the Government to purchase, from time to time, such quantity of radium as may satisfactorily meet the demand for treatment of cancer; (3) that the method of radio-active emanation for certain cases be used and that a plant be established for the production, standardization and supply of radon; (4) that Research and other necessary laboratories for the study of cancer be established; (5) that either a separate institute or a separate unit in a general hospital, but in any case in proximity to a general hospital and in association with the medical teaching body of a university be established, the functions of such an institute to comprise not only diagnosis and treatment, but also research, teaching and public health measures against cancer; (6) that a limited number of active-treatment centres and a large number of diagnostic centres be established, but at the outset, owing to the difficulty of securing experienced and highly skilled personnel, that in Ontario no more than three such active-treatment centres should be organized, and that these should be associated with a teaching hospital of a university; (7) that an active educative campaign be inaugurated to enlighten the public as to the early stages of the disease; (8) that cancer be treated only by experts in the various lines of diagnosis and therapy; that close co-operation of all services of treatment be sought; that concentrated treatment in a few first-class centres, under careful supervision be planned; and that no centre be established until competent personnel for such be available, in view of the fact that such potent weapons as X-rays and radium may do more harm than good in unskilled hands; that the Government should consider the purchase of any privately-owned radium if available for that purpose; that, in connection with every centre the most careful and exact records of cases be kept, and that a Social Service be maintained for the purpose of 'following up' all patients."

The final suggestion was that a Commission or Commissioner should be appointed by the Government for the custody, control and distribution of their own radium, for the inauguration and supervision of active-treatment centres and diagnostic clinics; and for the purpose of securing close co-operation of all services in the treatment of cancer; and that such Commission or Commissioner be attached to the Ministry of Health.

Department of Education; Organizations and Institutions

In his Report of the Department of Education for the year 1931, the Minister, Hon. George S. Henry, referring briefly to the proposal to set up a new type of school called the Intermediate School in the Province, pointed out the practical and economic side of this particular form of educational progress—an Elementary school providing a variety of courses closely associated with the pupils' future occupations. It had been tried with advantage both in Great Britain and in the United States and "is based upon the mentality of the child up to the age of eleven years and the need of a re-grading of classes in order to provide different courses of instruction as well as a greater choice of subjects for children beyond eleven years. The division of primary instruction in elementary schools into two stages has afforded

a marked stimulus to the work of pupils and is believed by those competent to judge to be a natural evolution."

In answer to complaints received by the Department in respect of increases in examination fees, it was stated in the Report that the desire for economy in public expenditure accounted for the enhanced fees and that fees to both examiners and presiding officers had been reduced; that the cost of examinations in the Province for 1931, over and above fees received from candidates, amounted to $250,000; that notwithstanding the fact that the examination system was a voluntary one on the part of the pupil, except in the case of those desiring to take up the teaching profession or a University course, there had been an increase in 1931 of pupils trying examinations; that for some years every effort had been made by the Department to assist pupils to escape the necessary burden of written examinations by the acceptance of teachers' reports on Lower school and, in 1931, on Middle school standing, providing a prescribed and not too onerous standard had been attained; but that the possession of a certificate seemed to be thought desirable by the majority of pupils.

Increased co-operation between the Department and school districts, brought about by the re-organization of the inspectorate was noted in the Report. Credit was given to such organizations as the Women's Institutes, Home and School Clubs and the Junior Red Cross as being a force contributing very materially to the success and influence of the schools. The percentage of school attendance throughout the Province in 1931 was stated to have been greater than in any previous year.

Improvement was recorded for the year in schools attended by French-speaking pupils due, in a large measure, to the excellent spirit of co-operation shown by school boards, teachers, training-school staffs, and inspectors in working out the plans of the Department initiated in 1927 following the Report of the Committee of Inquiry. In 1931 there were 1,248 successful candidates from French-speaking schools, an increase of 286 or 30 per cent. above the number of 1930 who passed the high school entrance examinations. The University of Ottawa Normal School, established by the Department in 1927, to train teachers for first and second class certificates, reported an enrolment of 100 for 1931, an advance of 20 over the previous year.

In the organization of the Department the Inspector of Agriculture would, it was explained in the Report, be attached in future to the Branch devoted to Vocational Education "and thus be in close touch with the remarkable development that has attended the various kinds of education promoted by this Branch. Should the establishment of Intermediate Schools, already referred to, take shape, it is manifest that the place of agriculture in the curriculum could readily be made to assume a more important part of the instruction and be applied to schools in the smaller centres and rural sections." During 1930 and 1931, courses in Vocational guidance had been offered at the Summer School at the Ontario Training College at Hamilton and a good beginning had been made by local Boards in several urban centres. There were 62 Day Vocational schools in the Province with a total attendance of 32,695; and 71 Evening Vocational schools with 47,440 pupils attending. The Department had under consideration the establishment of a Bureau of Vocational Guidance. Emphasizing the need of placing social studies in a more important place on the curriculum, the Chief Director of Education, George F. Rogers, in his Report on Vocational guidance, stated that it "is a curious commentary on our social organism that while we require girls and boys to receive professional training, pass examinations and obtain certificates, before they are allowed to undertake the teaching of children in the mass, any young girl, with no training as a homemaker, or any young man, without undergoing any mental or physical tests, may found a home and rear a family. The common result of such neglect in training is an unhappy home and a disintegration of the social unit . . . Unless this social unit, the family, is sound and unbroken, the nation will perish."

Classes for training apprentices were held during the Winter of 1930-31 at Toronto, Hamilton, Windsor and Ottawa and were eminently successful,

having an enrolment of 314. During 1931 the five School Cars of the Department continued operation, covering an area of almost 1,000 miles. The Report stated that two more Cars would go into commission during 1932. The Correspondence Courses, covering Public School work from the Primer to the High School Entrance Examinations, during 1930-31 had a total enrolment of 1,200. Of the twelve pupils who wrote their High School Entrance examinations in June, 1931, eleven were successful, three passing with honours. 318 Auxiliary classes provided suitable educational facilities for 6,243 physically handicapped or otherwise under-privileged children in 1931.

The following statistics given for the Elementary school year refer to the calendar year; statistics for the Secondary schools cover the school year from September to June. During 1931 Elementary schools in the Province numbered 7,164, with an enrolled attendance of 658,535, an increase of 12,459 over the previous year, the average daily attendance showing an increase of approximately the same figure. Evening Elementary schools numbered 24, with an enrolment of 4,043 pupils. The total number of teachers staffing Elementary schools in the Province was 17,062. Secondary schools of all types, including evening classes, numbered 586 with an enrolled attendance, part-time or whole-time, of 159,780. The Boards and the principals of these schools, the Report explained, "have had to face the problem of accommodation for an increased attendance," the reasons for these conditions being three in number, applying particularly to the Middle and Upper school classes: (1) that the University was requiring not Middle school or Pass Matriculation but also Upper school or Honour Matriculation standing of applicants for admission to the majority of courses; (2) school boards were engaging only teachers with first class certificates, and (3) that young people, owing to industrial conditions preventing their securing employment after completing four years in high school return to the Upper school course and the teachers in the public and separate schools were also taking advantage of the facilities for further education. There were 222 Continuation schools in the Province during 1931, in which 490 teachers were employed. Approximately 175 of the schools were organized to give instruction in both the Lower and Middle school courses.

The Ontario School for the Blind, Brantford, had an enrolment of students for 1931-32 of 127. The year 1932 marked the 60th Anniversary of the founding of the School.

The Director of Professional Training, Duncan Walker, in his Report stated that "the total registration at the several Provincial Teacher Training institutions shows a marked increase over that of last year." Particularly was this the case at the Ontario College of Education where the enrolment in the various courses for the session 1931-32 was as follows: High School Assistants', 550; Pedagogy, 276; Librarians', 43; Specialist (not included in High School Assistant's), 29; Household Science, 6; total enrolment, 904. The registration in the Normal Schools showed an improvement in the academic standing of the teachers-in-training. In 1930-31 the First Class numbered 49.2 per cent. of the total. In 1931-32 this percentage was increased to 51.3 per cent. During the year 105 teachers holding Permanent Second Class certificates succeeded in raising their standard to those of Permanent First Class.

The Annual Convention of the Ontario Educational Association was held in Toronto, Mar. 28-31, 1932. Important resolutions discussed included those urging an all-round reduction in teachers' salaries, opposing interference by officials of the Teachers' Federation in the administration of School boards; proposing the abolition of fees to teachers presiding at examinations; and advocating the administration of the Department of Education by a board of three. Officers elected for 1932-33 were: President, Malcolm MacBeth; Vice-President, D. A. Norris; General Secretary, H. E. Bryson; and Treasurer, R. M. Speirs.

The Ontario Secondary School Teachers' Federation held their Annual Meeting at Toronto on Dec. 29, 1931, and passed the following resolutions among others: that only teachers holding Permanent High School Assistants' certificates be permitted to recommend students for certificates in Middle

School subjects; that 60 per cent. instead of 50 per cent. be required for recommendation on Lower School subjects; and that candidates pass in at least three papers of Middle School. A measure for the suspension of the scale of Minimum Salaries for Secondary School teachers was adopted by the Federation in an effort to assist boards which might encounter financial difficulties. Officers for 1932 were elected as follows: President, John Jeffries; 1st Vice-President, Miss A. Noonan; 2nd Vice-President, Frank D. Wallace; Treasurer, J. A. Ramsay; General Secretary, S. H. Henry, Toronto.

The Ontario Library Association elected the following officers for the year 1932-33: President, Rev. T. Bart Howard, Waterford; 1st Vice-President, Mrs. Norman Lyle, Hamilton; 2nd Vice-President, Angus Mowat, Windsor; and Secretary-Treasurer, Miss Muriel Page, Toronto.

The University of Toronto. The most important and widely discussed event connected with the University during the 1931-32 session was the resignation, on account of ill-health, of Sir Robert Falconer, President of the University from 1907, and the appointment of his successor, Rev. H. J. Cody, M.A., D.D., LL.D., Chairman of the Board of Governors of the University. Sincere regret at his resignation and appreciation of his 25 years of service was expressed by both students and staff of the University in the many tributes paid to Sir Robert at the several functions given in his honour during the year. On Mar. 8, 1932, at a farewell assembly held by the undergraduates in Convocation Hall, the retiring President was presented with a gift book, bound in blue morocco, in which was an illuminated address and ten etchings of the University buildings. General satisfaction was expressed at the appointment of Dr. Cody, a graduate of the University and Minister of Education for the Province of Ontario, 1918-19. The newly appointed President was to take over his duties July 1, 1932. Other appointments to the staff of the University after June 30, 1931, were as follows: E. F. Burton, PH.D., Acting Head of the Department of Physics; E. A. Dale, M.A. (OX.), Professor of Latin (University College); W. T. Jackson, M.A., Professor of Transportation; W. S. Ferguson, Professor of Accounting; J. G. Fitzgerald, M.D., LL.D., F.R.C.P., Dean of the Faculty of Medicine; E. S. Ryerson, M.D., C.M., Assistant Dean of the Faculty of Medicine; N. B. Taylor, M.B., F.R.C.S., Professor of Physiology; J. H. Elliott, M.B., F.R.C.P., Professor of the History of Medicine; H. D. Kay, O.B.E., PH.D. (CAMB.), Professor of Bio-Chemistry; E. A. Linell, CH.B., M.D. (MANC.), Professor of Neuropathology; E. A. Allcut, M.SC., Professor of Mechanical Engineering; G. C. Cameron, M.D., Professor of Dental Pathology and Bacteriology; F. M. Lott, D.D.S., B.SC., Professor of Prosthetic Dentistry; T. Cowling, D.D.S., B.PÆD., Professor of Dental Technology and Metallurgy, J. O. Carlisle, M.A., Professor of Methods in Classics; and W. E. Macpherson, LL.B., Professor in the History of Education, Ontario College of Education. It was announced that J. C. McLennan, PH.D., D.SC., LL.D., Dean of the School of Graduate Studies, had resigned his post to live in England; that J. T. Fotheringham, C.M.G., M.D., had retired as Professor of History of Medicine; L. B. Stewart as Professor of Surveying and Geodesy; and W. E. Cameron as Professor of Prosthetic Dentistry and Dental Technology.

The total enrolment of students at the University during the session was reported as 8,088. Benefactions received by the University from July 1 to May 31, 1932, totalled $121,869. The most important of these were: the Eaton Endowment (annual payment), $25,000; University College Alumnae Association (toward furnishings of Whitney Hall), $25.000; Rockefeller Foundation, $29,306; Carnegie Corporation, $11,275; Maurice Hutton Scholarship, $5,000; and University of Toronto Engineering Society, $3,878.25.

The formal dedication of the new buildings for Emmanuel College took place on Sept. 22, 1931, and on Nov. 7, the new laboratories of the Department of Mining Engineering were officially opened. The Massey Foundation Lectureship was inaugurated on Apr. 27, 1932, by the Rt. Hon. Lord Irwin, K.G., G.C.S.I., former Viceroy of India, upon whom, preceding his address, the Honorary Degree of Doctor of Laws (LL.D.) was conferred. In the presence of delegates from other Canadian Universities, the University of Cambridge and Cornell University, the new Botany Building was formally

opened on June 8, 1932, by the Prime Minister, Hon. George S. Henry. On the following day the Annual Convocation was held when the Honorary Degree of Doctor of Laws (LL.D.) was conferred upon Miss M. E. T. Addison, B.A., Dean of Women of Victoria College; that of Doctor of Science (D.Sc.), upon Albert Charles Seward, SC.D., F.R.S., Downing College, University of Cambridge, England; and that of Doctor of Architecture (D.Arch.), upon John Andrew Pearson, the first architect in Canada to receive this degree.

Appointments to the Board of Governors announced on Sept. 23, 1931, were: Leighton McCarthy, K.C., McGregor Young, K.C., Dr. Herbert Bruce, Alfred Rogers, and R. O. McCulloch. It was announced on Feb. 15, 1932, that the salaries of the 900 members of the University staff, including the administrative, teaching and operating sections would be reduced, starting from Mar. 1, on the same sliding scale basis as those of civil servants and Cabinet Ministers. The tuition fees for Arts students would also be raised from $75 to $100 *per annum*, to come into effect at the beginning of the 1932-33 session.

Victoria University. This University, the corporate body of the two Colleges, Victoria in Arts and Emmanuel in Theology, reported a total enrolment for the 1931-32 session of 1,044 divided as follows: Victoria, 979 and Emmanuel, 65. The deaths of two distinguished members of the staff during the year were reported: John Walker Macmillan, D.D., Professor of Sociology, on Apr. 16, 1932, and Rev. Alfred Gandier, M.A., D.D., LL.D., Principal of Emmanuel College, on June 16. Retirements announced were those of J. C. Robertson, M.A., Professor of Greek Language and Literature from 1894, and A. E. Lang, M.A., Professor of German Language and Literature from 1897. Two appointments of note during the year were those of Walter T. Brown, M.A., PH.D., as Principal of Victoria College and Professor of Ethics and Philosophy of Religion, and Harold Bennett, PH.D., as Professor of Latin. At the Annual Convocation held Apr. 19, 1932, the Honorary Degree of Doctor of Divinity (D.D.) was conferred upon: Rev. John Coburn, Toronto; Rev. Charles Wesley DeMille, B.A., Stratford, Ont.; Rev. David Strathy Dix, M.A., PH.D., Saskatoon, Sask.; and Rev. Henry James Pritchard, B.A., Toronto. On June 7, 1932, the one hundredth Anniversary of the laying of the cornerstone of the old College building at Cobourg was celebrated by a pilgrimage of 217 graduates and friends of Victoria to the scene of that ceremony. The gathering was addressed by Sir William Mulock, Chancellor of the University of Toronto; Rev. R. P. Bowles, D.D., LL.D., Chancellor *Emeritus* of Victoria; Dr. George C. Workman, '75; and Hon. W. R. Riddell, '75, Justice of the Court of Appeal for Ontario.

St. Michael's College. The College, including the two Women's Colleges, Loretto Abbey College and St. Joseph's College, had an enrolment for the session 1931-32 of 325 in Arts. Appointments to the staff were those of Rev. H. S. Bellisle, C.S.B., as Superior of the College to succeed Rev. E. J. McCorkell, C.S.B.; M. Jacques Maritain (Paris), as Visiting Lecturer; and Rev. M. D. Chenu, O.P., as Visiting Professor. The death of a former Superior, Rev. Nicholas Roche, occurred on May 16, 1932. It was announced that Professor Etienne Gilson, Director of the Institute of Mediæval Studies at the College, had been elected to the Collège de France (the highest academic honour obtainable in France), to occupy the Chair of Mediæval Philosophy. Professor Gilson was to continue at St. Michael's from September until Christmas each year.

Trinity College. The number of students enrolled for the year 1931-32 was 347. The following appointments to the staff took effect from September, 1931: Cecil Lewis, M.A., of Lincoln College, Oxford, as Professor of German and Acting Head of the Department of German; George Wilson Knight, M.A. (OXON.), as Chancellors' Professor of English; Rev. William Lyndon Smith, M.A. (TOR.), as Fellow in Divinity and Ethics; and Archibald Hope Young, M.A. (TRIN.), HON. D.C.L., (KING'S, N.S.), who resigned his appointment as Professor

of German to become Professor *Emeritus* of German and Honorary Research Fellow in Canadian History.

Knox College. The enrolment record for 1931-32 showed that 24 students had attended lectures in the ordinary theological course; 11 students had been enrolled for post-graduate work and that 51, who were preparing for a theology course, had been registered in the Arts Faculty of the University. The Annual Convocation was held on Apr. 5, 1932.

Wycliffe College, Toronto. The Annual Convocation of Wycliffe College was held on Oct. 5, 1931, on which occasion the Honorary Degree of Doctor of Divinity (D.D.) was conferred upon Rt. Rev. Derwyn T. Owen, Bishop of Niagara; Rev. W. T. Hallam, Bishop-elect of the Diocese of Saskatchewan; Ven. J. W. J. Andrew, Archdeacon of Elgin; Ven. N. 1. Perry, Archdeacon of Welland; and Very Rev. A. C. S. Trivett, Shanghai, China. At the 55th Annual Commencement held on Apr. 18, 1932, a similar Degree was conferred upon the Rt. Rev. R. J. Renison, Bishop of Athabasca.

Ontario Agricultural College, Guelph. The enrolment of students for the session of 1931-32 totalled 2,024. Among the important appointments to the staff of the College during the year were the following: C. E. Mighton, B.S.A., as Research Assistant in Botany; L. A. Birk, B.S.A., as Lecturer in Chemistry; W. D. Tolton, B.S.A., as Assistant to the Director of Extension; W. R. Graham, Jr., M.S.A., as Ontario Government Scholarship—Research Assistant, Animal Husbandry Department; and Mrs. A. E. Barber, Superintendent of Macdonald Hall (temporary). Resignations (Superannuation) during 1931-32 included those of: H. H. Dean, B.S.A., Professor of Dairying, and Mrs. K. T. Fuller, Superintendent of Macdonald Hall.

Queen's University, Kingston. The total enrolment of students in all faculties including the Summer School and extra-Mural students during 1931-32 was 4,044. A. W. Currie, B.A., B.COM., was appointed during the year as Director of Extension Courses to succeed Hartley Thomas, M.A.; and Professor Gilmour, B.A., B.D., was appointed Professor of New Testament Literature and Criticism in Queen's Theological College to succeed Nathaniel Micklem, M.A., LL.D. The following bequests were made to the University: the City of Kingston grant of $150,000 for building construction; and Dr. Thomas B. Foley of Boston gift of $10,000 for four Scholarships in Medicine. At the Spring Convocation held on May 4, 1932, the following Honorary Degrees were conferred: Doctor of Divinity upon John Rolland Hall, M.A., Sarnia, Ont., and James Sinclair Shortt, M.A., Barrie, Ont.; Doctor of Laws upon Hon. Joseph Amable Thomas Chapais, LL.L., Quebec; William Stuart Kirkland, M.A., Toronto, and Margaret O'Hara, M.D., C.M., Smith's Falls, Ont. It was announced that J. A. Gray, B.SC., Chown Research Professor of Physics, had been elected a Fellow of the Royal Society in recognition of his valuable researches in radio-activity; that the Honorary degree of "D.C.L." had been conferred on E. R. Peacock, graduate, benefactor and trustee of Queen's, by the University of Oxford; and that students of Queen's had won six of the twenty-two scholarships and bursaries offered for competition by the National Research Council and two of the ten scholarships financed by the Carnegie Corporation and awarded by the Royal Society of Canada.

University of Western Ontario, London. Enrolment of students for the year 1931-32 was as follows: Faculty of Arts—Assumption College, 101; Huron College, 23; University College, 987; Ursuline, 111; and Waterloo, 54; a total of 1,276. Faculty of Medicine—229; Faculty of Public Health—47; a net total of 1,552. For the session of 1931-32 Roy Balmer Liddy, PH.D., LL.D., was appointed Head of the Department of Philosophy and Psychology; E. P. Johns, Chief of the Department of Pathology and Bacteriology, and Dr. S. N. Best, Chief of Department of Chemistry, both of the Institute of Public Health. $5,000, payable Nov. 1, 1937, was bequeathed to the University in the will of Lieut.-Col. W. M. Gartshore (deceased). The Honorary Degree of "LL.D." was conferred upon Hon. G. Howard Ferguson, High Commissioner for Canada in Great Britain, by the University during the year.

The University of Ottawa. Students registered at the University during the session 1931-32 including those of affiliated institutions totalled 2,662. The University Chapel, Gymnasium and Normal School were inaugurated during the year. On Dec. 10, 1931, the Honorary Degree of "LL.D." was conferred upon His Excellency the Earl of Bessborough, Governor-General of Canada.

McMaster University. The total net enrolment for the 1931-32 session was 751 comprising 443 men and 308 women and divided as follows: Arts, 561; Theology, 47; Graduate Students, 22; and extension classes, 134. The retirement of Prof. J. Ten Broeke from the Chair of Philosophy after 37 years and the appointment of Harris L. Macneill, PH.D., LL.D., as Professor of New Testament Interpretation to take up his duties in September, 1932, were announced. At the Annual Convocation in May, 1932, the Honorary Degree of "D.D." was conferred upon Rev. B. W. Merrill, Toronto; and that of "LL.D." upon Prof. Douglas Clyde Macintosh, Yale University, and upon Henry Marshall Tory, D.SC., President of the National Research Council, Ottawa. It was stated that the Carnegie Corporation had made a generous grant to the University for the purpose of carrying on experimental work in appreciation of the fine Arts at Hamilton and other nearby centres.

Osgoode Hall Law School, Toronto; (Law Society of Upper Canada). The Annual Report of the Dean, John D. Falconbridge, K.C., showed registration of students for 1931-32 as follows: first year, 100; second year, 70; third year, 88; total, 258. Under the arrangement for exchange lectures, John J. Robinette, Osgoode Hall, visited McGill; Horace E. Read, Dalhousie, visited Osgoode Hall; and F. R. Scott, McGill, visited Dalhousie. At the close of the academic year, Mr. Robinette was appointed Editor of the Ontario Law Reports; and Henry Borden, B.A., (MCGILL; OXON.), and Kenneth G. Morden, B.A., LL.B. (TORONTO), were appointed lecturers on Equity and Trusts respectively. On Feb. 18, 1932, Osgoode Hall celebrated its first Centenary, on which occasion, Rt. Hon. R. B. Bennett was called to the Bar, the first time that a Prime Minister of Canada had been called to the Bar while holding office.

Upper Canada College, Toronto. An enrolment was shown of approximately 410 in the Upper School during 1931-32. In November, 1931, the College was honoured by a visit from H.E. the Governor-General, Lord Bessborough; and in May, 1932, was the only school in Canada to be visited and addressed by Lord Irwin, formerly Viceroy of India. Early in 1932 the College received gifts of $400,000 from the Massey Foundation, and of $174,000 from the Carnegie Corporation of New York. Part of these was put aside for endowment, two new Homes for resident pupils and masters being erected, and the Main Building renovated with the balance. The College having decided to remain on its present site, a controversy was carried on in June with the Civic and Provincial authorities, who wished to expropriate the central portion of the College grounds for a northern exit from Toronto. A friendly compromise was finally reached by which the College was to give to the City narrow but valuable strips of land along its eastern and western border.

Agriculture; Other Departmental Reports

Hon. Thomas L. Kennedy, submitting the Annual Report of the Department of Agriculture for the fiscal year ended Oct. 31, 1931, pointed out that while climatic conditions during the season were good, and crops, generally speaking, abundant, the most disquieting feature of farm operations was the very low prices obtainable for all farm produce. "According to a special analysis based upon the actual value of agricultural products, the purchasing power of the farmer has declined by more than one-third since 1929. This decline in the price of raw materials has not been accompanied by any corresponding decline in the price of manufactured goods, which has made farm operations extremely difficult." With reference

to the downward trend of prices during 1931, particularly in the case of animal products, live hogs, W.O.C. Toronto, according to the Statistics Branch, declined from an average price of $10.19 per cwt. in January to an average of $4.81 in December. The wholesale price of butter in June was 22.5 cents compared with 31 cents a year earlier, and eggs sold for 21.6 cents in June as against 33 cents twelve months previous. Although the gross value of agricultural output was reduced by $111,000,000 from the previous year, the value of farm production ($305,624,000) was an important factor in sustaining purchasing power and prevented business in Ontario from falling to the low levels experienced elsewhere. A table showing the gross value of agricultural production in Ontario during the years 1929, 1930 and 1931, as compiled by the Dominion Bureau of Statistics with the co-operation of the Statistics Branch, is given below. Figures have been adjusted as far as possible, to bring them into line with the available results of the Decennial Census conducted in 1931. The Census is in this way made complementary to the annual estimates and will serve as a base for the estimates during the next ten-year period. For this reason a comparison of the figures with the previous year is not strictly valid.

Estimated Gross Annual Agricultural Revenue of Ontario

	1929	1930	1931
Field Crops	$241,778,000	$179,919,000	$124,541,000
Farm Animals	76,022,000	60,738,000	33,175,000
Wool	1,323,000	632,000	458,000
Dairy Products	115,757,000	104,859,000	92,276,000
Fruit and Vegetables	19,208,000	16,820,000	14,412,000
Poultry and Eggs	44,773,000	41,461,000	29,491,000
Fur Farming	777,000	817,000	750,000
Maple Products	1,258,000	1,576,000	1,674,000
Tobacco	5,039,000	6,244,000	6,814,000
Flax Fibre	393,000	371,000	179,000
Clover and Grass Seed	1,672,000	1,855,000	1,110,000
Honey	1,208,000	870,000	744,000
TOTAL	$509,208,000	$416,162,000	$305,624,000

Farm Crops, 1931

Field Crops	Acres	Production	Bushels Per Acre	Market Value Total	Market Value Per Acre
		Bush.	Bush.	$	$ c.
Fall wheat	525,024	15,013,455	28.6	7,747,787	14.76
Spring wheat	99,183	1,982,594	20.0	1,008,547	10.17
Oats	2,330,128	77,979,490	33.5	19,499,057	8.37
Barley	437,588	13,407,038	30.6	4,898,775	11.19
Peas	58,944	972,832	16.5	608,586	10.32
Beans	76,312	1,184,172	15.5	685,934	8.99
Rye	61,701	1,104,754	17.9	462,594	7.50
Buckwheat	178,719	3,665,584	20.5	1,551,607	8.68
Flax	7,325	79,555	10.9	83,812	11.44
Corn (in the ear)	123,960	8,151,239	65.8	2,157,322	17.40
Potatoes	168,158	20,026,501	119.1	4,735,770	28.16
Carrots	3,179	436,517	137.0	43,652	13.73
Mangels	32,399	11,855,500	366.0	1,185,550	36.59
Turnips	68,323	23,489,120	344.0	2,348,912	34.38
Sugar Beets	35,258	13,105,869	372.0	1,965,880	55.76
Mixed grains	1,012,347	35,155,615	34.7	12,510,754	12.36
		Tons	Tons		
Corn (for silo), green	264,286	2,301,527	8.71	9,206,108	34.83
Hay and clover	2,858,923	4,615,372	1.61	38,906,045	13.61
Alfalfa	431,110	971,304	2.25	9,816,770	22.77
Alsike	97,128	152,516	1.57	1,276,341	13.14
Sweet clover	306,067	669,446	2.19	4,519,783	14.77
TOTALS. 1931	9,176,062	.....	.....	125,219,586	13.65
" 1930	10,009,097	.....	.....	173,498,548	17.33

The acreages devoted to other crops in 1931 were as follows:—Orchards, 203,231; strawberries, 8,012; vineyards, 15,793; other small fruits, 14,206; summer fallow, 221,174; pasture (cleared), 3,039,026.

Tobacco.—It is estimated that 47,360 acres were grown in tobacco in 1931, yielding 44,770,000 pounds, or 945 per acre. Of this, Elgin had 3,700 acres, Essex 12,900, Kent 9,100, Norfolk 18,700 and Oxford 2,500.

Rape.—The estimate for 1931 was 13,527 acres of which 3,911 are in Wellington, 2,071 in Grey and 1,769 in Dufferin.

The estimated value of Ontario farm land, farm buildings, implements (including vehicles) and live stock on hand on June 15, 1931, totalled $1,839,057,607, made up of: land, $954,869,758; buildings, $537,279,170; implements, $175,176,334; live stock on hand, $171,732,345.

Agricultural and Horticultural Societies' Branch of the Department reported that notwithstanding the extent to which the agricultural industry had been affected by the general trade depression, "never before in the history of the societies have such exhibitions been staged by growers as those conducted in 1931." Six new agricultural societies were organized in 1931, bringing the total number up to 331. The grant to agricultural societies was $86,000, the sixty societies in Northern Ontario receiving $22,987, their grants being based on double their expenditure for agricultural purposes. The exhibits of the prize-winning grain, clover and potatoes at the different fairs "were the finest ever staged in Canada." It was stated that the Horticultural Societies' organization had the largest membership of any association doing similar work in any country in the world, the 300 branches having a membership of 80,000. Twelve new societies were organized in 1931. In the report of the Ontario Vegetable Growers' Association it was pointed out that while in earlier years no attempt generally had been made to brighten home surroundings. 31 garden competitions in 1931 did much to correct this, while competitors in the vegetable crop contests numbered 280. Seventy branches of the Ontario Plowmen's Association held plowing matches in 1931 and there were 21 home plowing competitions in which 243 boys entered. The Live Stock Branch of the Department, inaugurated in 1928, continued to organize new clubs. At Oct. 31, 1931, there had been organized 57 sheep clubs in 27 counties with a total membership of 717. Bacon Hog Clubs, designed to place swine improvement work on a community basis, increased by ninety-eight during 1931, bringing the total number of such clubs up to 297. A total of 168 boars were purchased during the year for use in the new clubs.

The Women's Institute Branch, which covered a wide field, reported a growing interest in nutrition during 1931, owing in part to the economic conditions requiring farm homes to be more dependent upon home-grown products. Members of the Institutes, realizing that most of the needs of the family in the matter of clothing, food and housing could be adequately met by Canadian industries, were asking for "Canadian goods for Canadian homes." Canning demonstrations were given in 25 counties to over 600 members of Garden and Canning Clubs during the year. Five girls, all of whom lived on the farm, were taken from each of fifty-two counties and districts for the second time to the Royal Winter Fair as guests of the Department of Agriculture in recognition of their ability shown in judging competitions and project work.

The Fruit Branch reported that owing to the economic depression particular attention had been given in 1931 to the marketing of the fruit crop, which in quality was above the average, the season being favourable for ripening such fruits as peaches and grapes; that marked improvement in the Ontario apple pack was shown as a result of the organization efforts made by the growers, aided by the Government; and that there was substantial progress in cold storage facilities. The Provincial Entomologist stated that 46 nurseries, containing 1,075,416 fruit trees, 757,973 shrubs and 579,071 ornamentals, had been inspected during the season, with only 1,219 destroyed due to infestation with insects or fungus diseases. The 1929 outbreak of black knot in the Niagara district had been brought under control. Owing to the dryness and heat of the Summers of 1930 and 1931 many orchards which had been free of "San José" scale, had again become heavily infested. In most of the peach belt the yellows and the little peach situation had changed but slightly for some years, but in North Grimsby there was a marked increase.

The Dairy Branch reported the season of 1931 as a difficult one for cheese-making. Butter production was larger but with smaller profits. The percentage of first-grade cheese dropped from 96.46 in 1930 to 95.13 in 1931, and first-grade butter dropped 7 per cent. Hot and dry weather caused scarcity of water, which in turn affected live stock and cooling operations.

The Agricultural Representative Branch showed that Rural School Fairs had been carried on in 1931 in every county and district in the Province, all figures showing an increase over the previous year. During the Royal Winter Fair at Toronto 479 rural young men were taken there as guests of the Ontario Government. The year was the most successful experienced by Junior Farmer Associations, of which there were 156 Branches with a total membership of 4,875. In co-operation with the Dominion Department of Agriculture, the Ontario Live Stock Branch, the Ontario Dairy Branch and the Ontario Agricultural College, live stock improvement had been carried on in all lines and a very expansive programme had been followed. With a view to showing the farmer how to cut production costs, extensive work regarding soil and crop improvement was conducted during 1931.

Marked expansion took place during the year in the tobacco growing industry of Norfolk District, with the result that investments in land, buildings and equipment was around $5,000,000 and there were about 4,000 kilns and 600 greenhouses. The Crops, Co-operating and Markets Branch reported that since the Community Halls Act went into force in 1920, one hundred and twenty projects had been undertaken, totalling in cost $1,041,534, upon which grants to the amount of $175,409 had been paid. During 1931 fourteen halls and parks were completed at a cost of $57,812 and the total grant on these projects was $13,234. The Colonization and Immigration Branch placed men, women and boys on farms to the number of 2,827 during 1931. This, owing to the inability of many farmers to pay for help, was a substantially smaller number than in the previous year. The Agricultural Development Board reported that there was "a substantial but not alarming increase in business during the year." Applicants for loans were 3,361; amount of loans passed, $9,701,420; value of security, $21,913,130; loans paid out, 2,329 and the amount, $7,900,000. "Faced with returns cut in half or less and yet little decrease in the things they have to pay for," said the Report, "farmers have yet carried on with commendable courage and steadiness." Arrears for 1930 and 1931 were stated to be substantial, although actual figures were not available. Sale proceedings were completed on 31 farms, of which 17 were sold and 14 on hand. In addition, the Board sold 49 other farms which had been previously taken over, making a total of 66 sold during the year. The Board had about fifty farms on hand, many being in New Ontario, but all were being operated on a rental basis. With 1931, the Board completed ten years of operation, and during that period had issued debentures for $42,888,000, had made loans to 11,200 farmers in sums varying from $500 to $12,000 and had an operating surplus of $648,962.07. Of the debentures issued, $6,488,000 had been paid back, leaving $36,400,000 outstanding at the end of the ten-year period. Statement of Short Term Loan Associations showed an increased demand. New loans amounting to $51,535 were passed by the directors and $19,516 was paid off principal on old loans. Interest payments were met with the exception of about $2,000, while the total outstanding was $171,082.

The Ontario Marketing Board, although in existence only six months when the fiscal year 1931 closed, reported that it had been able to make definite contributions to the progress of agriculture in a number of important matters. On the initiative of the Board a Growers' Market Council was established, on which commercial fruit and vegetable growers in every district in Ontario were represented on the directorate, with offices in Hamilton. Over five times the quantity of Ontario produce normally shipped to the Maritime Provinces was marketed there in 1931. Similar results were obtained in Western Canada and valuable development work was done in Northern Ontario. New cold storage plants, modern in every respect, had been constructed during the year at several strategical points in the Province and the Board estimated that they saved the apple-growing interests during the season more than their capital cost of over $600,000. Experimental work on apple cider production initiated by the Dominion Government in Great Britain and carried on in Ontario on the recommendation of the Marketing Board resulted in the undertaking of two large commercial plants. With a view to assisting the grape-growing industry, which was faced with a decreased demand from the winneries, the Board organized a movement which led to the revision of

regulations respecting the manufacture of wine by authority of the Dominion Government and implemented by Provincial authorities. These new regulations provided that not more than 250 gallons of wine might be made from a ton of grapes and also that fruit spirits instead of cane sugar be used in wine making, as it was estimated that this would increase by 25 per cent. the grape consumption by the wineries, while the saving to the grape growers was estimated at over half a million dollars. The Board also carried on investigations regarding the tobacco-growing industry, while experiments regarding the marketing of honey had demonstrated attractive possibilities.

In a Report (July, 1931) on the cattle-breeding industry prepared for the Agricultural Committee of the Ontario Legislature, Howard T. Fraleigh (Con., Lambton East), stated that Canada must produce more light weight beef cattle to hold its market in Great Britain and to take care of home consumption. Mr. Fraleigh said that the marketing of cattle in Canadian stock yards in 1930 was "the smallest in the past 10 years, being 193,000 head less than in 1929. Slaughtering of cattle in inspected plants last year showed a decline of 100,000 head, compared with 1929, and was the lowest in five years." It appeared from the investigation that Canada as a live stock producing country was quickly approaching the position of producing only enough cattle, hogs and sheep to provide for its own consumption. The Report stated that Canadians appeared to have been content to produce grain for export in large quantities yet they lacked a definite policy for the building up of a larger export of live stock and live stock products. The Report recommended that attention be given to markets and their requirements together with a policy of producing higher quality cattle.

Department of Mines. The Annual Preliminary Report of the Department of Mines for 1931, submitted to the Minister, Hon. Charles McCrea, by the Deputy Minister, Thomas W. Gibson, stated that while conditions in other basic industries had been at a low ebb, mining on the whole had experienced a more favourable year, comparatively speaking, than in 1930. Total metallic production, however, had declined by $10,405,566, or 12 per cent. in value. Depression observed in the production of base metals, such as nickel and copper, and the very low price for silver, coupled with a reduced schedule for cobalt, were to some extent offset by a marked expansion in gold output, which showed an increase of $7,231,130, or 29 per cent. over 1930. Considerable advantage to the gold mines had resulted from the Dominion paying in New York funds for the gold bought and also from stimulated production and prospecting. Premiums paid during the year on New York funds on all metals to which they applied amounted in the aggregate to $2,409,645. The total output of gold from the twenty-four mines operating was 2,085,819 fine ounces, an increase of 20 per cent. for the year, while the value was $43,117,698, compared with $35,886,558 in 1930. In sympathy with all other base metals, nickel and copper declined in output and value during 1931, and the ore smelted by the two producing companies decreased 20 per cent. Quantity production of the principal minerals in the Province for 1931 was:

Gold (oz.)	2,085,818	Lead, pig (lb.)	995,333
Silver (oz.)	6,603,034	Arsenic (lb.)	3,779,166
Copper, metallic (lb.)	99,652,706	Natural gas (M. cu. ft.)	7,395,000
Nickel, metallic (lb.)	28,972,201	Petroleum, crude (bbl.)	122,065
Nickel oxide (lb.)	3,920,181	Salt (tons)	231,329
Platinum metals (oz.)	91,643	Cement (bbl.)	3,470,056

Search for gold was general in every likely area from Quebec to the Manitoba boundary, and promising discoveries were reported in the Bannockburn area, where at least one mine was approaching the production stage. Low grade deposits of the adjacent Matachewan area attracted attention during the year. Other interesting discoveries of gold were made in the Chester-Three Duck Lake area and in the Swayze area about 40 miles west of Chester. Renewed interest was taken in the Michipicoten, Sturgeon Lake and Thunder Bay districts, and at the Moss mine, west of Fort William, a 200-ton mill was started in March, 1932. 23 gold mines produced during 1931,

8 of which were in the Porcupine belt, 8 in Kirkland Lake, 5 in the northwestern part of the Province, 4 of which made small sample shipments only. 16 gold mines were producing regularly at the end of the year. In addition to the gold produced by the auriferous quartz mines, important recoveries of gold and silver were made at Copper Cliff, Port Colborne and Acton, England, in the treatment of matte and blister copper derived from the copper-nickel ores. An amalgamation unit was added to the new Dome cyanide mill. The new McIntyre 2,000-ton mill reached capacity during the latter half of 1931 and a new mill was being installed at the Hayden property. At the Kirkland Lake district the Lake Shore mill was increased in tonnage from 1,375 to 2,400 tons, while the Teck-Hughes tonnage was raised from 925 to 1,300 tons a day.

The depressed condition of the world's markets for nickel and copper during the period restricted operations by the International Nickel Company in the Sudbury field. The metal content of all nickel-bearing substances produced in 1931 was 65,666,320 lb. valued at $15,267,453, compared with 103,768,857 lb. and $24,455,134 respectively the year before. A feature in this industry was the transfer at the end of the year from Port Colborne to Copper Cliff of the process of separating the matte into copper tops and nickel bottoms, thereby eliminating heavy freight costs on nitre cake manufactured at Copper Cliff and also on the sulphur content of the matte, amounting to 20 per cent. of the total weight. Only the nickel sulphides were being freighted to Port Colborne, the Report stated, to the electrolytic nickel refinery, while the blister copper produced at Copper Cliff was going direct to the electrolytic plant, close at hand. The electrolytic copper refining plant of the Ontario Refining Company, Limited, the only one of its kind in the Province, operated steadily during 1931. In December, 1931, an agreement by the principal copper producers of the world was reached whereby the output of all companies was to be curtailed 26½ per cent. in order to work off the accumulated stock of refined copper. The Report stated that production of the precious and rare metals by the International Nickel Company, Limited, at its plant in Acton, England, was growing steadily; that the total output of platinum metals in 1931, was 91,643 ounces valued at $2,812,834, including 44,725 ounces of platinum, 39,313 ounces of palladium and 7,605 ounces of other metals of this group.

Despite the low prices ruling—averaging for the year 28.70 cents in New York or 29.87 cents in Canadian currency—silver mining operations were persistently carried on during 1931 by 20 groups of lessees and 10 mining companies, while total shipments of ore and concentrates were 11,055.19 tons, being comprised of 2,510.93 tons of silver ore and concentrates and 8,542.26 tons in which cobalt was the chief constituent.

Iron ore mining was again at a standstill, no Ontario ore having been smelted since 1925. The lead mining and smelting operations that had been carried on near Galetta, Carleton County, since 1917 were discontinued during the year, the mine being closed down permanently in May, 1931, and the smelter dismantled after slags and residues were cleaned up. Output of lead from all sources in 1931 was 995,333 lb., valued at $41,875, as against 2,193,856 lb., valued at $116,034 in 1930. A deposit of uraninite (the ore from which radium is obtained) was under development in 1931 near Wilberforce, Haliburton County, and a concentrating mill was erected. The production of salt and brine was in value ($1,760,388) the highest since 1923, although there was a decrease in tonnage. There was a general decline in the production of structural materials, the value being $11,421,938, as compared with $16,571,626 in 1930. Clay products had a value of $3,439,362, as compared with $5,221,214.

The Annual Report of the Department of Game and Fisheries for 1931 was submitted to the Minister in charge, Hon. Charles McCrea, by the Deputy Minister, D. McDonald. Revenue received from game was $367,449.70, of which $277,604.75 was from licences and $89,844.95 from royalty; from fisheries, $302,778.72, of which $288,060.42 was from licences; and from guides' licences, fines, sales of confiscated articles and other general items, $44,066.91. The total revenue was $715,462.83, as compared with $775,862.84 in 1930, and

total expenditure was $744,069.96, as compared with $687,545.90 the year before, the reduction in revenue being ascribed to the smaller receipts from the sale of non-resident hunting and angling licences to visitors to the Province, the amount of which was $248,748.65, as compared with $281,159.75 in 1930. Pelts of fur-bearing animals (other than those ranch-raised) taken during the year on which royalty was paid numbered 931,282, as against 901,226. Number of ranch-raised silver and black foxes, dressed or exported, upon which royalty was not payable, was placed at 10,600. Pelts under these two classes were given a total value of $2,154,797, of which $1,756,979 was credited to pelts subject to royalty. During 1931 the Department received applications for the payment of bounty on 2,751 wolves, an increase of 8 per cent. over the previous year. Bounty paid amounted to $55,873.80, compared with $38,074.77 the year before. Increasing interest in the question of establishing fish sanctuaries—an area closed permanently to all fishing—was announced. Fish planted in all waters of the Province during 1931 was reported to be 543,053,884, as compared with 538,650,908 the year before.

It was announced on July 31, 1931, that the Department, hitherto under the jurisdiction of the Minister of Mines, would be, in future, under the administration of the Provincial Secretary.

Department of Lands and Forests. The general depression was keenly reflected in the total purchasers of farm land in the newer parts of Northern Ontario, according to the Report of the Department of Lands and Forests for the fiscal year ended Oct. 31, 1931, which was submitted to the Minister, Hon. William Finlayson, by the Deputy Minister of Lands and Forests, W. C. Cain; the Deputy Minister of Forestry, E. J. Zavitz, and the Surveyor-General, L. V. Rorke. Some 1,043 persons purchased 90,814 acres as against 1,351 for 111,408 acres the previous year. Over 70 per cent. of the purchased land was in the District of Cochrane. Settlers to the number of 437 completed their payments, met all their settlement duties and received patents. This was only less by 23 than during the previous year. While some 761 sales were cancelled for neglect of duties, 20 per cent. of these comprised lands that had been sold, some of them years prior to Confederation and others at various times up to the "eighties." The Supervisor of Settlement reported in every district a commendable activity in view of existing conditions. Eighty Summer resort locations were disposed of during the year. Fifty-six islands were sold under Summer resort conditions. From "clergy sales" the sum of $1,494 was collected, compared with $2,643 in 1930. Crown lands sold or leased during 1931 totalled 113,325 acres, and was largely acquired for settlement purposes. Total collections on all—including taxes upon certain lands in unorganized districts and water-power rentals—amounted to $584,388, or over $10,000 in excess of the previous year. As a result of the Provincial Land Tax Act passed a few years before over $100,000 was collected during 1931 on lands in unorganized districts which, until the Act came into force, had not been subject to taxation—not even a school tax. Total revenue under the Tax Act was $131,851 in 1931 as compared with $139,832. Military certificates for land grants to veterans of the Fenian Raid and South African War had a cash surrender value of $50 and as payment for Crown Land a value of $80, but only one such certificate was surrendered during the year. "Although originally 13,998 of these certificates were issued, less than one thousand remain unaccounted for, the others having either been applied on land or surrendered to the Crown." The total expenditure for survey work during 1931 was $125,000, a decrease of $19,059 compared with the previous year. Development of water-power privileges under Crown leases was carried on in 1931 at Abitibi Canyon and Abitibi River. Revenue from water-power rentals was $216,059, a decrease of $33,464 from the year before.

"It is probable," said the Report in reference to Timber Administration, "that never in the history of the great forest products industry has there been more wide-spread discontent and uncertainty manifested than during the last year . . . Large quantities of lumber fill the yards of the manufacturers, who are unable to locate ready markets . . . As the sale of timber is the

chief source of revenue to the Department of Lands and Forests, the reduced bush operations adversely affected the revenue." Thirty timber areas were sold compared with 50 in 1930. Of these areas 14 were only one square mile or less in extent, the others varying in size up to the last sold, which was 76½ square miles, situated in the District of Nipissing. The number of timber licences issued and in good standing during the seasonal year ended Apr. 3, 1931, was 954 for an area of 19,350 square miles, as against 1,010 for 21,744 square miles the year before. These were in addition to the pulp concessions covering 54,408½ square miles. Total accruals from all timber sources, including ground rent, fire charges, bonus, dues, transfer fees, etc., were only $2,492,334, or less than in 1930 by over $2,500,000. Fires reported were 1,851—the largest number since records have been available, but 92 per cent. did not reach 100 acres in extent and 75 per cent. were under ten acres in area. Total area burned was 138,287 acres, of which 45,000 acres was classed as timber lands. Campers were the cause of 33.8 per cent. of all fires. Increased activity in the clearing of land in the clay belt of Northern Ontario, ascribed to the lack of employment in woods operations, was reported. During 1931 the Department distributed 5,220,946 trees to individuals; 90,547 among 371 schools; and 5,000,000 were supplied for planting on municipal and Crown lands. While the actual business in connection with the sale and cutting of timber and the issue of timber licences amounted to only $2,492,334, the actual amount collected under this service was $3,042,753, a considerable portion of which had been charges due under the heavy operating, with its large accruals, during 1930. Land collections covering sale and lease of lands for all purposes and certain refunds added $655,638 to the above figure, making a gross revenue of $3,698,391, which, when reduced by expenditure funds of $1,626 for timber dues, mill fees and transfer fees, and of $304,844 for fire protection, gave a net Revenue, Ordinary and Capital of $3,391,922, made up of $2,439,724 Ordinary and $952,197 Capital, as against a total Revenue for 1930 of $3,307,945.49, made up of $2,532,603 Ordinary and $775,342 Capital. Total disbursements of the entire Department in 1931 amounted to $3,542,163, compared with $3,834,684.37 the year before. This gross Expenditure, however, was reduced by the amount received from fire protection taxes ($304,843.76), which left the net Expenditure at $3,237,319, of which $2,130,426 was Ordinary and $1,106,893 Capital. Capital Expenditures were less by $319,458 than the previous year.

Free grants of land were made to 450 locatees—ten less than in 1930. The area acquired amounted to 58,460 acres, while an additional 1,937 acres were acquired on a sale basis by those holding free grant lands; 392 persons had their free grants cancelled.

Department of Northern Development. The Chief Engineer of the Department of Northern Development reported that the expenditure under the section dealing with roads and bridges had amounted to $6,248,237 for the year ended October, 1931. Road grading and erection of bridges was generally accomplished by the employment of day labour. Trunk roads were intensively maintained to meet the demands of modern traffic and the main leading roads, connecting settlements with the trunk arteries, were extended with a view to giving the most remote settlers easy access to the markets. For the benefit of tourists, camp sites were prepared close to the road on the shores of streams and lakes, standard highway signs were erected and signs giving the names of lakes, streams and other interesting information were placed in position. Further progress was made in the elimination of level crossings at the more dangerous spots on the trunk roads. During the year certain routes were definitely designated as links of a Trans-Canada Highway in order that Federal Aid towards this undertaking could be participated in. The routes so designated were (a) from Pembroke to Mattawa to North Bay, approximately 148 miles; (b) from Schreiber to Nipigon to Port Arthur to Fort William to Dryden to Vermilion to Kenora to the Manitoba boundary, approximately 400 miles. In the late Summer, largely to relieve the unemployment situation, Federal-Provincial funds were arranged to permit proceeding with construction of a 30-foot roadway on the approximate 550 miles

of approved location, with the result that in early September intense activity commenced. Generally construction camps were erected at four-mile intervals, each camp to accommodate 100 to 150 men. By the end of October 8,800 men were at work.

Department of Highways. During the fiscal year ended Oct. 31, 1931, the total Expenditure by the Department of Highways was $16,129,809.79 of which $12,590,765.81 was on Capital and $3,539,043.98 was on Ordinary Account. Of the total, $9,402,537.33 was spent on Provincial Highways, while subsidies for township roads amounted to $2,309,576.36 and city roads, $4,417,696.10. Total Revenue was $16,648,421.32 of which $10,950,645.39 was from the Gasoline Tax and $5,610,442.80 from Licence Tax.

Registration of motor vehicles in Ontario for 1931 were: Passenger cars, 489,713; commercial vehicles, 64,256; motorcycles, 4,070; public vehicles, 629; public vehicle operators, 90; public commercial vehicles, 3,900; and public commercial vehicle operators, 1,977.

On July 31, 1931, it was announced that Hon. Leopold Macaulay had been transferred from the Portfolio of Provincial Secretary to that of Highways.

Department of Public Works. In his Report for the fiscal year ended Oct. 31, 1931, to the Minister, Hon. J. D. Monteith, M.D., the Deputy Minister, George Hogarth, showed the total Expenditure during the period to have been $4,011,576. Of this total $2,857,463 was spent on public buildings (Parliament Buildings, hospitals, schools, court houses, etc.); maintenance and repair of Government buildings, $609,876; Civil Government, for salaries, contingencies, etc., $82,748; public works (locks, dams, bridges, etc.), $309,682; drainage aid to municipalities, $115,225; special warrants, $24,625; Minister's salary and salaries not otherwise provided for, $11,956. The Engineer's report showed that during the year 210 bridges, of which 19 were steel construction, 52 of reinforced concrete, 53 of timber, had been constructed.

Department of Labour. In the Annual Report of the Department of Labour for the fiscal year ended Oct. 31, 1931, submitted to the Minister, Hon. J. D. Monteith, by the Deputy Minister, A. W. Crawford, it was pointed out that employment in the Province had been considerably reduced as compared with the year before. Operations in the logging camps were greatly curtailed. Unemployment work had brought the number of those employed in the construction industry during the first half of the year up to about that of the previous year, but the average for the whole year was decidedly lower than in 1930. Communication, trade, transportation, mining and service recorded decreases in employment. Vacancies reported in the various offices of the Employment Service numbered 270,961, compared with 155,514 in 1930, while the applications were 414,735, compared with 237,367 the year before. Placements reported were 261,243, against 141,841 in 1930, but of this number 188,819 or approximately 72 per cent., were placements in work of a casual nature. Number of regular placements was 72,424, a decline of only 5 per cent.

The Boiler Inspection Branch reported that 391 first inspections had been made of new pressure vessels; 212 second and 309, third inspections. Used pressure vessels were given 1,359 first and 252 final inspections. Altogether 2,722 certificates were issued by the Boiler Inspection Branch, and the total amount of money transmitted to the Provincial Treasurer was $16,012, compared with $20,137 in 1930. A total of 18,200 certificates were issued during the year by the Board of Examiners of Stationary and Hoisting Engineers, an increase of 335, while the number of candidates examined was 2,198, compared with 2,134 the previous year. Revenue was $25,891, an increase of $143. Total inspections and revisits made by officials of the Factory Inspection Branch numbered 21,939, compared with 20,227 in 1930 and there was an increase of 1,010 in the number of establishments inspected. Orders to the number of 5,035 were made relating to the requirements of the Factory Act and 2,031 permits were issued, the great majority of which concerned hours

of labour in factories, shops and bakeshops. Accidents reported were 3,256, of which 35 were fatal, as compared with 4,817, with 50 fatalities in 1930.

During the year 3,238 assessments were issued by the Apprenticeship Branch to the amount of $42,643, and of this number 3,034 assessments were paid, amounting to $41,262. Out of the assessment fund was paid a living allowance of $10 a week for each apprentice while in attendance at day classes. The personnel of the new Provincial Apprenticeship Board which replaced the old Apprenticeship Committee was announced on Apr. 15, 1932, by Hon. J. D. Monteith, Minister of Labour, along with certain important changes in the regulations applying under the Ontario Apprenticeship Act. The new Board, appointed for one year, would comprise J. B. Carswell, Hamilton (Chairman), representing the employers; Ernest Ingles, London, representing the employees, and F. S. Rutherford, Toronto, representing the Provincial Department of Education. Powers and duties of this Board in relation to the Apprenticeship Act would be similar to those of the Minimum Wage Board, in connection with the Minimum Wage Act, and all matters pertaining to the development of apprentice training in the building trades would be decided by it, subject, of course, to Order-in-Council approval.

Speaking of recent Government action in amending regulations, Dr. Monteith stated: "The chief change in this connection is a reduction of the minimum requirements of employment each year for an apprentice from 44 weeks to 24 weeks, exclusive of the eight weeks spent in day classes during the first and second years."

The Annual Report of the Minimum Wage Board (Chairman, J. W. MacMillan) for 1931 pointed out that although women workers suffered severely from the depression prevailing, their employment was more regular than in the men's trade. Female factory workers employed in 1931 numbered 47,086, compared with 50,069 the year before. Girls under 18 employed were 3,511, compared with 5,122. The decline in the number of all female workers from 1929 to 1931 was 11.9 per cent. and in young girls 54.5 per cent. The proportion of young girls to all female workers employed in 1931 was only 7.4 per cent., as compared with 10 per cent. the year before and 14.5 per cent. in 1929. "There is comfort here," remarked the Report, "for it shows that the older and higher paid workers have not been let out and replaced by younger and cheaper workers. Of 42 sections and trades in the Province the rate of wages was reduced in 30 and advanced in 20. Number of factories employing women was unchanged at 2,211, and the average female working force per factory was 21.3. Cost of living budget for an independent working woman in Toronto, as revised in October, 1931, representing the lowest wage upon which she can support herself, was estimated at $650, allowing $364 for board, $115 for clothing and $171 for sundries."

It was announced, on Apr. 28, 1932, that R. A. Stapells, a Member of the Board, had been appointed Chairman in succession to Dr. J. W. MacMillan.

Department of Health. The Seventh Annual Report of the Department of Health for the year 1931 was submitted to the Minister (Hon. J M. Robb, M.B.) on Mar. 18, 1932, by W. J. Bell, Deputy Minister. The Report stated that the work of the Department had shown a steady increase in every branch of the service. "The service of the Central Laboratories and of each of the Branch Laboratories, is being utilized to a greater extent by physicians and by the general public from year to year, especially in the control of milk and domestic water supplies and in the investigation of the causes of disease. The work of the Pathological Branch of the Main Laboratories has increased to an extent fully justifying its incorporation in the laboratory service of the Province. The Preventable Diseases Branch of the Department has been particularly active during the past year in the matter of immunization against communicable disease, and it is not only interesting but gratifying to note that local health officers in their respective communities have become very active in this important phase of public health work. The outstanding point in the report of the Preventable Diseases Branch is the

lowered incidence of infantile paralysis during 1931 as compared with the three previous years."

The 62nd Annual Report upon the Hospitals and Sanatoria of Ontario for the fiscal year ended Sept. 30, 1931, was submitted to the Minister, Hon. J. M. Robb, by A. L. McPherson, Inspector. There were 157 institutions in operation which were participating in Provincial grants and 81 private institutions. They were classified as follows: 118 public hospitals, 22 Red Cross hospitals, 6 hospitals for incurables, 11 sanatoria for consumptives, 77 private hospitals, 2 private sanatoria (nervous and mental). Formerly these institutions were under the Provincial Secretary's Department and this Report was the first to be issued by the Department of Health. The Douglas Memorial Hospital, Fort Erie, was approved and placed upon the list of those entitled to Provincial aid, while the Memorial Hospital, Seaforth, was discontinued. The Consolidated Statement showed: adult bed capacity of all the institutions, 14,974; nursery cots, 1,754; patients admitted during year, 189,020; births during year, 25,660; patients discharged during year, 203,381; deaths during year, 11,343; patients in hospitals at Sept. 30, 1931, 10,887; employees, 11,335; total Revenue, $14,119,768.31, of which $12,783,699.41 was Operating Revenue; and Operating Expenses, $13,005,160.83.

The 64th Annual Report of the Hospitals Branch, Department of Health, upon the Ontario Hospitals for the Mentally Ill, Mentally Sub-normal and Epileptic, of which H. M. Robbins was Deputy Minister and B. T. McGhie, M.D., Director of Hospital Services, reported that the co-ordination of the previously organized Public Health Services and the Hospital Services, consequent upon the former Ontario Hospitals System being transferred from the Department of the Provincial Secretary, Hospitals Branch of the Department of Health,—had resulted in still further improving the standard of efficiency of the mental hospitals. Under the direction of the Tuberculosis Division of the Department of Health a course of instruction was given to a group of medical officers, and as a result two units for the care and treatment of tuberculosis patients suffering from mental illness was being operated in the Mental Hospital Service, one at the Ontario Hospital, Mimico, and one at the Ontario Hospital, London. Greater uniformity had been secured in the dental care of patients and in the extension of preventative treatment. The Neuro-Pathological and Research Division, organized during the year with headquarters at the Banting Institute, had been able to undertake directly the neuro-pathology for the Ontario Hospitals in Toronto, Mimico and Whitby, as well as render assistance in the matter of laboratory services to some of the other hospitals.

The Annual Report relating to the Vital Statistics of the Province of Ontario for the year ended Dec. 31, 1930, was issued early in 1932. The following is a summary of the principle items:

Births	71,263	Maternal mortality	440
Deaths	37,313	Organic heart disease	5,634
Marriages	25,605	Cancer	3,635
Deaths under 1 year	5,260	Tuberculosis	1,791

Although deaths from organic diseases of the heart continued to hold first place, there was a decrease in the number for the first time since 1924. Deaths from pneumonia, influenza and tuberculosis showed the lowest rates in the decade.

Department of Public Welfare. The first Annual Report of the Department of Public Welfare, organized by Order-in-Council of Sept. 16, 1930, was presented by the Minister, Hon. W. G. Martin. The following Branches were placed under the control of the Department: Mothers' Allowance Commission, Old Age Pensions Commission, Soldiers' Aid Commission, Children's Aid Branch, Industrial Schools, Ontario Training Schools, House of Refuge, and Orphanages. In his summary of the work of his Department the Minister stated that a new Training School for girls, somewhat similar to the school for boys at Bowmanville, had been inaugurated in Waterloo County toward the end of the fiscal year 1931. Steps for the organization

of the counties into separate local welfare units had been taken, a start having been made in Lambton County. During the year 111 charitable institutions, comprising orphanages, refuges and convalescent homes, were inspected and were found to be "quite generally clean and comfortable and conducted in a most humanitarian way." Dr. Clegg of the Ontario Hospital, Whitby, was appointed Departmental Medical Adviser and M. A. Sorsoleil, formerly Assistant Director of Technical Education, was appointed Deputy Minister. The total sum expended by the Department during the year was $12,171,394, of which $426,502 was Administration expense and $11,744,891 Disbursements. Revenue Receipts were $7,083,321 and were deposited with the Provincial Treasurer. Of this total sum collected $6,948,001 was applied by the Auditor to the reduction of Expenditure.

Number of families under the care of the Mothers' Allowance Commission (Chairman: Dr. David Jamieson) at the end of the fiscal year was 5,998, an increase of 375 over the previous year. Children in these families numbered 18,036, an increase of 1,128. Amount expended during the year was $2,582,221, an increase of 3.313 per cent.

The Old Age Pensions Commission, of which Dr. Jamieson was also the Chairman, presented its second Annual Report, which showed that at the end of the fiscal year 1931 there had been 40,400 on the pension list, whereas when the pension was first established it had been estimated that the number eligible would possibly be 25,000. Amount paid in pensions during the year was $8,765,049, of which the Province's share was $2,945,853 and that of the municipalities, $1,511,311. Ontario had a much larger number of pensioners than any other of the five Provinces that were participating in the pensions undertaking, but on the basis of population its percentage was much lower, being 20 per cent., the explanation being that Ontario, with its wealth and highly organized industrial and agricultural systems, had a much larger number of persons who had reached the pension age (70) with a competence than in the more recently developed Provinces.

The Report of the Soldiers' Aid Commission, of which Mrs. Arthur Van Koughnet was Supervising Commissioner, stated that while the great majority of the returned soldiers were re-established in civil life, and while throughout the military hospitals the patients were looked after by the Federal Government, there still remained a very high percentage of men who would never be able to compete in the industrial and commercial life of the country, who would always require care and help. "Daily there is an ever-increasing need for such assistance as the Soldiers' Aid Commission can render, primarily because of the decreasing health and strength of these men, who gave their best on behalf of Canada and the British Empire." The Report of the Veterans' Welfare Service, submitted by Col. W. Rhoades, D.S.O., M.C., Director of Veterans' Employment, showed that during 1931 of 889 ex-service men and 411 of their dependants, a total of 1,300, called for personal interviews. Efforts in behalf of these groups resulted in the temporary or permanent placement of 233 of the men and 148 of their dependants—a total of 481.

The 38th Annual Report of the Children's Aid Society, of which J. J. Kelso was Provincial Superintendent, stated that during the year 1931, 865 wards had been released from supervision through legal adoption or through coming of age. The number on the supervision list at the end of 1931 was 8,500. Local superintendents made 4,538 supervisory visits and the Roman Catholic inspector reported on 876 Catholic children. According to the Report on the operation of the Children of Unmarried Parents Act, the number of children reported to the Provincial Officer as born or to be born out of wedlock during the fiscal year 1931 totalled 2,250. Receipts under agreements and orders amounted to $114,291 and disbursements were $108,393. Collections were less by $9,000 than in the preceding year. A total of 1,558 children were reported to be with the mothers, 271 in boarding homes and 84 in free foster homes, where they were placed with a view to adoption. Sixty-nine children were legally adopted and 78 committed as wards of the various Children's Aid Societies. Deaths numbered 107. Of the mothers, 1,874 were being cared for by parents or friends and 245 were being looked after by various social

organizations. The number of completed adoptions under the operation of the Adoption Act was 819, an increase of 113 over the previous year. Nearly 200 of these children were adopted by relatives, while 14 were adopted by unmarried women.

A noteworthy feature in connection with the Ontario School for Boys, situated on a 300-acres tract of land on the outskirts of Bowmanville, was the organization of Camp Scholfield, donated by the Hon. H. C. Scholfield. A Boys' Court was established during the year under supervision of the Head Master. This court dealt with serious cases only and its success was gratifying. A Club House providing a place for boys to live until they obtained jobs and accommodation for boys earning only a small wage was established in Toronto during the year.

The Report on Training Schools, Industrial Schools, Refuges and Orphanages for the fiscal year 1931 was presented by C. H. Buckland, Inspector, and showed that there were 115 Charitable Institutions and Industrial Schools in the Province. St. Joseph's Orphanage at Hearst and Misericordia Refuge at Haileybury were designated to receive Provincial Aid. The 34 orphanages in the Province had a population of 2,925 children, an increase of 267 for the year. There were 46 refuges with a population of 3,284. The number of pupils in the four industrial schools was 640, an increase of 36. The Ontario School for Crippled Children, which worked in co-operation with the Department of Public Welfare, reported that at the request of the latter it had ascertained that the total number of cases examined by service clubs was 4,921, of which 2,812 were orthopædic, 1,518 non-orthopædic and 590 not reported as to cause. Results of treatment were as follows: Number under care, 756; number corrected, 616; greatly benefited, 456; benefited, 973; no improvement, 99; no treatment, 607; died, 16; and no report, 1,398.

The Attorney-General. The Report of the Ontario Liquor Control Board (Chief Commissioner: Sir Henry Drayton, K.C., KT.) for the fiscal year ended Oct. 31, 1931, showed total sales to have had a value of $45,835,708 —a decrease of $6,447,294, or 12.33 per cent. The principal decrease was in imported spirits, which amounted to $4,127,075, or 23.23 per cent. Imported beers decreased by 19.89 per cent. and imported wines by 10.48 per cent. Sales of domestic spirits decreased 8.79 per cent., domestic wines by 9.45 per cent. and domestic beers by 7.19 per cent. The Report pointed out that the decrease in the quantities sold had been greater than in the values, higher prices having been put into force after the Budget of the Provincial Treasurer on Mar. 13, 1931. During the year the wine and beer permit was introduced by the Board, under which 148,705 permits were issued, 119,326 being to residents and 29,379 to non-residents. Of the total 20,776 were converted to the general liquor permit, leaving an effective issue for the year of 127,929. Number of liquor permits issued during 1931 was 410,521, of which 329,784 were resident and 80,737 non-resident. The Board had a gross trading profit for the year of $10,292,215 and a net trading profit of $7,627,521. Adding to the latter the sum of $864,132 from other sources, the total net was $8,491,653. Two new stores were opened, bringing the total number up to 124. The number of brewery warehouses was unchanged at 103. Breweries were 33 and wineries 51. Employees numbered 1,158. The resignation of Sir Henry Drayton as Chief Commissioner of the Board was announced on Apr. 22, 1932. At the same time it was stated that Stewart McClenaghan, Deputy Chief Commissioner, would succeed Sir Henry, but without any addition to the salary he had been receiving formerly; and that there would be no appointment to the Board of a new Commissioner to take the place of Mr. McClenaghan.

The Annual Report of the Ontario Provincial Police (Commissioner: Maj.-Gen. Victor A. S. Williams) recorded 13,244 cases prosecuted by the force under all Acts and Statutes during the fiscal year ended Oct. 31, 1931 —a decrease of 1,350 for the year; prosecutions under the Criminal Code and all other statutes exclusive of the Liquor Control Act numbered 7,421, a decrease of 658; prosecutions under the Liquor Control Act, 5,823, a decrease of 692; prosecutions instituted by the motor-cycle patrol under the Highway

Traffic Act, 10,446. "You will note," commented the Commissioner, "there has been a general decrease in the return of cases prosecuted under the Criminal Code and all other Dominion and Provincial Statutes. This decrease applies to both cases of a serious and trivial nature; also to cases under the Liquor Control Act. It is very gratifying considering the industrial depression and the unsettled state of the labour market." Crimes against the person and property in Northern Ontario were noticeably low in number. The force made investigations of every conceivable description to the number of 31,666 and in doing so patrolled an aggregate of 1,500,000 miles. Industrial unrest, due in a great measure to world economic conditions, had been apparent in the Province during the year, while the number of unemployed, drifting from place to place, among them a large percentage of foreign-born, had been a fertile field for Communistic propaganda. At Fort William, Port Arthur, Sudbury, Cochrane, Timmins and Kirkland Lake there had been clashes between crowds agitated by Communists (see Section: Immigration and Colonization) and the police, resulting in many instances in incipient riots and in some cases in injuries to both policemen and disturbers. Efforts of the police to check the epidemic of poultry thieving in the Province met with considerable success. There were 5,823 prosecutions by the Provincial Police for violations of the Liquor Control Act during the year and 4,973 convictions were secured, while $200,073 were collected in fines. Liquor to the value of $50,000 and automobiles and trucks to the value of $44,000 were confiscated.

The Report of the Superintendent of Insurance (R. Leighton Foster) for the calendar year 1930 was issued in February, 1932. Licences were issued at the end of 1930 to 46 life insurance companies, an increase of one over the previous year. The premium income on Ontario business during the year amounted to $85,947,406, an increase of 6.5 per cent. over 1929. Disbursements to Ontario policyholders amounted to $53,861,521, an increase for the year of 18.1 per cent. New business issued in the Province during the year totalled $449,043,598, a decrease of approximately 9 per cent. Total business in force in Ontario at the end of 1930 was $2,685,739,658, representing an increase of 5.6 per cent. over the previous year. Thirty-two fraternal societies held licences at the end of the year to transact life insurance in the Province, and their total premium income, including dues, was $3,847,520 and disbursements were $3,692,926, while the amount of mortuary certificates in force was $103,408,912. The number of companies licensed to transact fire insurance in the Province increased from 313 to 328 during 1929. Companies licensed to transact automobile insurance stood at 160 at the end of the year. Net premiums written amounted to $9,361,901, an increase of 12.8 per cent. over the previous year; net premiums earned, amounting to $8,934,508, showed an increase of 18.8 per cent.; losses incurred amounted to $4,378,698, an increase of 1.5 per cent. over 1929. "The year's experience on the basis of loss ratios was decidedly more favourable than in the preceding year, the ratio of losses incurred to premiums earned having dropped from 57.4 per cent. in 1929 to 49.0 per cent. in 1930." In casualty and miscellaneous insurance (other than automobile) net premiums written amounted to $7,635,695.43, a decrease of 6.2 per cent.; net losses paid, $3,459,172.82, an increase of $50,000. The Report stated that the years 1929 and 1930 were the most disastrous in the history of farmers mutual insurance in Ontario, and "reports reaching the Department indicate that there has been no improvement during 1931. Total Expenditures (losses and expenses) during 1930 were $2,688,694, an increase of $297,607 over the previous year. Over $200,000 of this amount represented increase in the amount paid for losses. Average cost of $100 of insurance per annum was 36½ cents, compared with 34½ cents in 1929. Approximately 10,300 life insurance agents and 7,500 other than life insurance agents were licensed during the licence term ended Sept. 30, 1931.

The 34th Annual Report of the Registrar of the Loan Corporations (R. Leighton Foster) covered the year 1930. Total assets of loan corporations increased by $13,000,000 during the year and those of trust companies, not including estates and agency funds, by $28,000,000. Mortgage investments of all corporations during 1930 totalled more than $275,000,000, or more than 60 per cent. of their total funds. Of this total $179,000,000 was invested in

the Eastern Provinces and $96,000,000 in the West. Collateral loans of all companies increased during 1930 from $42,000,000 to $60,000,000. Deposits with loan corporations (sixteen of them) increased by $2,000,000 to $38,700,000, and those to trust companies by over $11,000,000 to $42,630,000. Loan corporations reported debentures outstanding of $109,000,000, an increase of $9,000,000, while guaranteed investment certificates of trust companies increased by $11,000,000 to $104,500,000. Estates and trust and agency funds carried by the trust companies at the end of 1930 amounted in the aggregate to $1,867,000,000—a growth of over 800 millions in three years. Dividend distributions of $4,474,000 were made during 1930 by 19 loan corporations and $2,500,000 by 23 trust companies—a total of nearly seven millions.

Accidents reported to the Workmen's Compensation Board (V. A. Sinclair, K.C., Chairman) during 1931 totalled 52,894, a decrease of nearly 24 per cent. Provisional payrolls reported to the Board aggregated $409,260,000, compared with $485,262,000 in 1930, while the number of employees decreased from 23,912 to 23,138. Allowance claims numbered 48,882, compared with 61,795 in 1930, and out of 43,611 accidents paid for in Schedule One, 22,802 involved medical aid only. Death claims numbered 266 compared with 427 in 1930. Total amount of benefits awarded during the year under the Act amounted to $6,021,392, compared with $7,423,018 the year before. Administration expenses during the year were $350,491.05, an increase of $3,491.32 over 1930, which was due to payment for special statistical service and was subsequently refunded to the Board. For the first time in its history the Board had to deal with a conspiracy to defraud the Board, the result of which was the arrest and commitment of twelve persons, one of whom was sent to Kingston Penitentiary for 5 years. (For Royal Commission and legislation see elsewhere in this Section).

The Report of the Inspector of Legal Offices (W. W. Denison) for the year ended Dec. 31, 1931, placed the total revenue collected during that period at $499,607, the most important items of which were: Police magistrates' fines, $128,655; police magistrates' fees, $55,155; local registrars, S.C.O., county, county court and district court clerks and surrogate registrars, $120,209; crown attorneys and clerks of the peace, $81,707; division court clerks and bailiffs, $58,248. Income of the office decreased by $296,162. "It should be pointed out, however," commented the Inspector, "that the bulk of this decrease ($250,896.02) is accounted for by reason of the recent judgment of the Privy Council, where it was held that fines are not payable to the Province but to the municipality."

The Ontario Railway and Municipal Board (Chairman: C. R. McKeown, K.C., and Secretary: H. C. Small) presented its 26th Annual Report covering the calendar year 1931 to the Legislature during the 1932 Session. 809 applications were made to the Board during the year: nearly all had been heard and disposed of except a few of the more important cases. Revenue collected by the Board in Law Stamps for 1931 totalled $8,739. Fourteen Financial Bills introduced into the 1931 Session of the Legislature were inquired into and reported upon. Under the Municipal Act there were 136 applications before the Board in 1931 involving debentures of a total value of $4,801,774 and in nearly all cases relief was granted by the Board. Made Arbitrators under the Highway Improvement Act the Board officiated as Arbitrators in respect of six different references and under The Niagara Parks Act and The Public Works Act, two. Twenty-five assessment appeals made to the Board involved property valued at over $8,419,760. Accidents in 1931 reported to the Board by Provincial railways totalled 20 persons killed and 912 injured. (See "Legislation" in this Section for enactments).

According to the Provincial Registrar 82 final decrees of divorce were granted by the Supreme Court of Ontario during 1931. This total does not include the few Provincial cases sent to the Senate of Canada.

Prisons and Reformatories. The Report on the Prisons and Reformatories of Ontario for the year ended Oct. 31, 1931, noted a reduction in commitments in common gaols, from 29,126 in 1930 to 26,358 in 1931, and

in convictions from 21,421 in 1930 to 18,127 in 1931. There were 47 common gaols in the Province with a total Expenditure for maintenance of $498,893, an increase of $62,297 over the previous year. Admittances to reformatories, three in number, totalled 1,782. During the year two Industrial Farms were owned and operated by the Province and two, owned by the City of Toronto, were largely operated by the Province. At 31 Meetings of the Ontario Board of Parole, 2,182 cases were dealt with, of which 852 were paroled and 328 recommended for Extra Mural Employment. The Commissioner for the Extra Mural Employment of Sentenced Persons reported 256 inmates employed outside in custody in 1931; wages earned, over $71,000; and a net saving to the Province in maintenance of $40,000.

Temiskaming and Northern Ontario Railway Commission. Another chapter written in the well-filled history of the T. and N.O. Railway's progress was the completion in 1931 of the main line extension north of Cochrane to Moosonee at James Bay, thus providing the Province with rail connection from the Great Lakes to the sub-Arctic regions, through a habitable and forested country, powered with great rivers and possessed of many natural resources of immense potential value. The Thirtieth Annual Report of the Commission for the year ended Oct. 31, 1931, stated that "part of the newly opened area has agricultural possibilities equal to those afforded in the great clay belt farther south. An ocean outlet for the Province is thus assured for coastal shipping and the development of natural resources on or adjacent to a two thousand mile shore line with navigable waters of James Bay." The continued policy of branch line construction and main line extension had resulted in bringing the mining, farming, lumber and general industries on the line of the railway into close proximity with business and financial centres of the Province and Eastern United States.

During the year 1931 the Commission paid the sum of $240,000 to provide for matured interest on its debenture bond issue of $6,000,000 and insurance against loss by fire was carried in the sum of $3,500,000. Statistics of the road's operation for 1931 showed the following Revenue: transportation—$4,548,663, incidental—$387,522, and total, $4,936,185; Expenditure: operating —$3,553,688, other expenditure—$446,700, and total, $4,000,388; and Net Earnings, $935,797.

Hydro-Electric Power Commission of Ontario. Repeated Provincial Press and Opposition attacks on the Government and insistence on an investigation of the matter followed the disclosure in July, 1931, of a payment of $50,000 to John Aird, Jr., of the engineering firm of Aird and Millard of Toronto, by the Hydro-Electric Power Commission in connection with the purchase in 1929 of what was known as the Madawaska River power site. The fact of this payment had come to light in evidence during the House of Commons Special Committee Inquiry into the Beauharnois Power project (June-July, 1931). Almost immediately after the Press reports of Mr. Aird's evidence at Ottawa, the Hydro-Electric Power Commission of Ontario, in a brief memorandum to the Press, declared, in connection with the $50,000 payment, that Mr. Aird had held options on the Madawaska properties; this was followed later (Aug. 6) by a fuller statement from the Commission in which it said that "reports issued to local newspapers, after a hasty survey of files, had accredited Aird with having held options on the properties. This, however, is not conclusively substantiated in the official record of the matter." The memorandum said that the Hydro-Electric Power Commission "did not attach importance to what might be the legal relations between Mr. Aird and the O'Brien company." What was of importance to the Commission was the securing of the property at the lowest possible price. The statement further declared that in view of all the circumstances with which the Commission had been confronted it believed that "it was justified in carrying out its agreement to pay Mr. Aird for his services and co-operation in connection with the acquirement by the Commission of the M. J. O'Brien properties on the Madawaska and Mississippi rivers and

that adequate results were secured therefor." The Commission had received a proposition in 1928 from Mr. Aird to supply power from the O'Brien properties, but no agreement was reached on this. In January, 1929, however, the Commission "being desirous of obtaining ownership of these properties, made arrangements with John Aird, Jr., whereby it would utilize his services to aid in negotiating the purchase of the O'Brien interests. Information and data in the possession of Aird, secured over a period of years, were submitted to the Commission. This included information in respect to the various properties, including revenues and operating expenses, and essential details. Mr. Aird gathered information respecting the properties of the Commission, arranged details and adjustments, and supplied such technical information as he himself had required. In making the final purchase of $1,800,000 of the O'Brien properties, and, indeed, throughout the negotiations, the amount of $50,000 paid to John Aird was taken into consideration in determining the cost of the properties to the Commission, and this fact clearly appears in the minutes and records of the Commission." (Canadian Press Dispatch, Aug. 7).

A few weeks later (Aug. 31) a letter from the Ontario Commission to the Hamilton Hydro-Electric Commission appeared in the Press; this had been written in acknowledgment of a copy of a resolution, passed by the Hamilton Commission which called for an investigation of the $50,000 Aird payment. The Ontario Commission's letter explained that Hamilton and surrounding districts were not affected in any way by the Madawaska purchase; that it concerned only the Eastern section.

Months of incessant demands from Opposition quarters for an investigation of the Aird payment and other affairs of the Hydro-Electric Power Commission were met with an intimation from the Government, who were reluctant to involve the Province in any needless expense that an Inquiry by a Committee of the Legislature might be appointed; this was followed later, however, by the announcement (Feb. 3, 1932), shortly before the opening of the Provincial Legislature, that a Royal Commission to probe certain matters pertaining to the Hydro-Electric Power Commission of Ontario had been appointed by the Provincial Government; that Hon. W. E. Middleton, Justice of the Court of Appeal for Ontario, would act as Commissioner; and that he had been requested by the Government to retain such counsel as he might require. The Prime Minister (Hon. George S. Henry), in the statement to the Press announcing the appointment, declared that "for some time past various matters affecting the Hydro-Electric Power Commission" had been the subject of more or less criticism on the platform and in the Press; that complete reports of the criticized transactions had been submitted to the Government by the Commission; that the Government had the fullest confidence in the honour and integrity of the Commissioners, past and present; that there would be no public inquiry into general questions of policy but that the Royal Commission would have the following scope: "(1) To inquire into the facts relating to the payment by the Hydro-Electric Power Commission of Ontario to one, John Aird, Jr., of the sum of $50,000, in connection with the purchase by the Commission of what is known as the Madawaska properties; (2) To inquire into the purchase by the Hydro-Electric Power Commission of Ontario of the property and assets of the Dominion Power and Transmission Company, Limited, and the price paid therefor."

Disapproval of the limited scope of the proposed investigation was made by the three Provincial Opposition Leaders: Harry C. Nixon (Progressive Leader), W. E. N. Sinclair (Liberal House Leader) and Mitchell F. Hepburn (Liberal Provincial Leader). They declared that, in addition to the $50,000 payment, the Royal Commission should be enlarged to embrace the item of $125,000 given to John Aird, Jr., by the Beauharnois Power Corporation, in view of his (Mr. Aird's) statement that it was a payment for services rendered in connection with the Hydro-Electric Power Commission contract with "Beauharnois." The three Opposition Leaders also called for a full investigation of all "Hydro" contracts for purchase of power sites and of blocks of developed power from private corporations.

With regard to the item of $125,000: the Report of the House of Commons Special Committee stated that while the Committee found that this amount was part of the total of $864,000 given by the Beauharnois Power Corporation toward election campaign funds, yet, on the other hand, it found that there was no evidence that would indicate that any of the funds had reached any political organization or any person authorized to receive campaign funds. There had been decidedly conflicting evidence during the Parliamentary Inquiry. R. O. Sweezey, President of the Beauharnois Corporation, declared that he had given $125,000 ($120,000 in Victory Bonds and $5,000 in cash) to Mr. Aird for the Ontario Conservative Party and he quoted Mr. Aird as having said that he "thought a contribution would be in order to the Ontario Conservative Party." Directly opposed to Mr. Sweezey's evidence was Mr. Aird's: the latter claimed that he belonged to no political organization; and that Mr. Sweezey had paid him the $125,000 for his aid in connection with the Hydro-Electric Power Commission contract with the Beauharnois Power Corporation.

At the opening of the Royal Commission Inquiry on Feb. 25, Mr. Justice Middleton stated that while he was determined to have a thorough investigation he was equally determined that the hearing "shall not be permitted to become a place for the ventilation of political grievances and of the acrimonious discussion of irrelevant matters." He explained that he had appointed W. N. Tilley, K.C. as Counsel; that before the appointment was made he had been aware that Mr. Tilley had often acted for the Government, for the Hydro-Electric Power Commission and for Mr. M. J. O'Brien and that having heard the circumstances in which he and his firm had acted, there did not appear to be any reason why he should not act as Counsel on the Royal Commission. He continued: "Two gentlemen, Messrs. Nixon and Hepburn, Leaders of political Parties, practically asked me to delegate to them, the power and duty which had devolved upon me . . . and asked me to pledge myself to appoint anyone whom they might nominate and give to him the power to employ any assistance he may require, all this at the public's expense. I thought that to yield to this request would be to betray the trust imposed in me, and that the needs of justice would not be advanced by placing myself in the hands of those who by their letters indicate that they are partisan and would seek to take the conduct of the proceedings out of my hands." Mr. Justice Middleton explained that under his instructions Mr. Tilley had written a letter "to these critics of the Administration," to adopt their own phrase, asking them to assist him with any information they might have, but that there "had been no reply by either gentleman." A. G. Slaght, K.C., who was present, explained that he represented Messrs. Hepburn and Nixon and others. He agreed to co-operate as far as possible with Mr. Tilley in the "presentation of all relevant information." He asked the right to cross-examine witnesses and to requisition through the Commission such witnesses and documents as had not yet been summoned and which he felt would shed needed light into the Inquiry. Associated with Mr. Slaght, as independent Counsel, were J. C. McRuer, K.C., and F. W. Griffiths, K.C. (*The Toronto Daily Star*, Feb. 25). The request of the Opposition Leaders to Mr. Justice Middleton to appoint Counsel had been aired in the Legislature on Feb. 15, when Mr. Nixon had moved the adjournment of the House for the purpose of discussing this question. During the discussion he read from the correspondence between Mr. Justice Middleton and himself. The Prime Minister's reply to Mr. Nixon's request for the appointment of Opposition Counsel was to the effect that it was intended to keep the Royal Commission investigation utterly divorced from politics. Mr. Sinclair (Liberal House Leader) declared that he agreed with the position the Prime Minister had taken and that any discussion of the matter by Mr. Nixon was *sub judice;* that the question was one that had to be dealt with delicately if the dignity of the House were to be maintained. Mr. Sinclair took Mr. Nixon to task for approaching Mr. Justice Middleton without consulting him. "My honourable friend certainly made no effort to get in touch with the Liberal group of this House before

he went on his expedition to Osgoode Hall. For the time being, at least, the elected group in this House is the Liberal group, and I submit it should have been consulted." (*The Globe*).

On the opening day of the Inquiry (Feb. 25) John Aird, Jr., in evidence, stated that while he had some records of the Madawaska transaction in his possession, the bulk of the correspondence, etc., had disappeared; that it had apparently been discarded as waste matter during the process of office cleaning after the dissolution of his firm which had taken place some time previously. Several weeks later (Mar. 11), in a news article in *The Globe*, it was stated that the Editor of that paper had been offered what was apparently the file of the Madawaska records, missing from the Aird office, for the sum of $5,000. On the same day the Editor of *The Evening Telegram* announced that "months ago *The Telegram* was informed that these papers, supposed to have been destroyed . . . were still in existence . . . It was intimated that I could secure possession of them for $4,000." C. O. Knowles (the Editor) stated that he had been informed at the time, that the Prime Minister of Ontario had also been approached with the view of his buying up the evidence but that he had refused to have anything to do with it. In the Legislature on the same day the Prime Minister practically confirmed the latter statement. He explained that he had drawn the attention of the Attorney-General (Hon. W. H. Price) to the matter at the time who had, in turn, taken it up with Mr. Tilley, Counsel to Mr. Justice Middleton, and that if it had not been for the illness of the Royal Commissioner the matter, no doubt, would have been made public long before that date. He further explained that the file, believed to have been destroyed by the original owner, contained eighty-one letters. A few days afterwards (Mar. 14), the matter of the missing file again came up in the House when Mr. Sinclair (Liberal House Leader) asked to be furnished with the date on which the individual approached the Government in connection with files and also the dates on which the attention of the Attorney-General and the attention of Mr. Tilley had been called to the matter. The Prime Minister, in reply, stated that he (the Prime Minister) must have been in error with regard to the date on which he was first approached by the individual in question; that no one had spoken to him until after the sitting of the Commission appointed to consider the payment to Mr. Aird; that he was not sure of the date; and that he thought the individual must have spoken to the Attorney on the same day, as the latter was already informed of the matter when he (the Prime Minister) mentioned it. (*The Mail and Empire*, Mar. 14, 1932). Correspondence from the "missing" files was produced and used in evidence during the sittings of the Commission.

Meantime, after holding but two days' sittings the Royal Commission had been indefinitely postponed owing to the sudden illness of Mr. Justice Middleton. Still being impaired in health, he relinquished his duties on Apr. 16, recommending, at the same time, that the Inquiry be enlarged to include the Beauharnois Corporation's gift of $125,000 to John Aird, Jr. It was announced by Hon. W. H. Price (Attorney-General), on behalf of the Prime Minister, that Hon. J. F. Orde, Justice of the Court of Appeal for Ontario, would act as Royal Commissioner. The Prime Minister's statement, as presented by the Attorney-General, included the explanation that he had intimated, shortly before the close of the Legislature, that if the Commissioner recommended the widening of the Inquiry the Government would act accordingly. The new Commission included, therefore, wider powers so that the retiring Commissioner's recommendations might be carried out.

Sittings of the Royal Commission were held during April, May and June. Among those giving evidence was Hon. G. Howard Ferguson, High Commissioner for Canada in London and former Prime Minister of Ontario. Mr. Ferguson had offered to come from England for the purpose of giving evidence before the Senate Committee Inquiry into the conduct of certain Senators—an aftermath of the Special Committee Inquiry of the Beauharnois project—Hon. Andrew Haydon, one of the Senators in question, having declared, in

evidence (Mar. 15, 1932), that the President of the Beauharnois Power Corporation, R. O. Sweezey, had told him that he could not get a contract from the Ontario Hydro-Electric Power Commission until Mr. Ferguson, who was at the time Prime Minister, was paid $200,000. Mr. Ferguson, in his evidence, gave a complete denial of this statement, and Charles A. Magrath, the former Chairman of the Hydro-Electric Power Commission, in strong refutation of Senator Haydon's evidence, stated that he alone was responsible for the Beauharnois-Ontario Hydro-Electric contract. Mr. Sweezey, also, categorically denied the statement of Senator Haydon.

The Royal Commission Inquiry was concluded on June 17 when W. N. Tilley, K.C., Counsel for the Royal Commissioner, summarized the evidence. With regard to the $50,000 payment to John Aird, Jr., Mr. Tilley stated that the matter seemed perfectly clear in the evidence; that there was very little that was controversial; that it was purely a matter as to whether C. A. Magrath, Chairman of the Hydro-Electric Power Commission of Ontario, had been prudent in paying $50,000 commission. As to the $125,000 payment the Counsel stated that irrespective of the legality of the payment of this amount to Mr. Aird, it was apparent that none of the $125,000 had contributed to the formation of a contract with Beauharnois for the purchase of power. So far as the Dominion Power and Transmission deal was concerned, expert evidence had shown that the Hydro-Electric Power Commission had purchased after an exhaustive study of the D. P. and T. Company, its earnings and possibilities and its adaptability as a unit of the "Hydro" system. Referring to independent Counsel who had been present throughout the inquiry (A. G. Slaght, and F. W. Griffiths), Mr. Tilley stated that he could not understand the lack of assistance extended by them since the opening day when he had stated that he "would be glad of any information they might give me that would aid in a proper finding on the three references being made." He went on to say that he had not "had the slightest suggestion from any of them at any time to follow or any witness to call as to the inquiry on the subject of brokers or any other phase of the investigation."

(Subsequent to the conclusion of the investigation the death of Mr. Justice Orde occurred, upon which Mr. Justice Riddell and Mr. Justice Sedgewick were appointed Commissioners by Order-in-Council dated Aug. 19 (1932) to undertake final work on the Report. The Report, which was made public on Oct. 31 found: (1) That, on the facts proved beyond controversy, "we have no doubt whatever of the propriety of the payment by the Hydro-Electric Power Commission of Ontario to John Aird, Jr., of the sum of $50,000 in connection with the purchase by the Hydro-Electric Power Commission of Ontario of the M. J. O'Brien Limited Power interests on the Mississippi and Madawaska Rivers." (2) That, while the payment of $125,000 was made to Aird it had no relation to the purchase of power by the Hydro-Electric Power Commission of Ontario. (3) That the purchase of the Dominion Power and Transmission Company by the Hydro-Electric Power Commission of Ontario, in the circumstances existing at the time was in the public interest; was made after full and adequate investigation; was reasonable as to price and was not prompted by any other motive than the public good).

Some days after the final sitting of the Royal Commission Rt. Hon. Arthur Meighen, appointed a Member of the Hydro-Electric Power Commission of Ontario in 1931, speaking before a joint Meeting of the Ontario Municipal Electric Association and the Association of Municipal Electric Utilities against interferences with the operation of "Hydro" affairs said: "Where would 'Hydro' be to-day if it were answerable to the whims of popular fancy? It would be in the hopeless morass in which we see great industries floundering now. We would find ourselves facing huge debts, carrying tremendous loads and weighing down the people instead of serving and benefiting them. Don't let a sacrilegious hand be laid upon 'Hydro'." The occasion was the introduction of a resolution that representation be appointed from the 'Hydro' districts of Ontario to the Hydro-Electric Power Commission. Senator Meighen was

careful to say he was not opposing the resolution, but he left the inference that the less the Ontario Commission were handicapped by outsiders the better it would be for the utility. Speaking editorially of the above incident *The Globe* (June 27, 1932) continued "While this argument may be open to controversy, Senator Meighen's opinion will be generally endorsed in his warning against interference with 'Hydro' administration and his commendation of the methods and policies which made 'Hydro' great."

The 1931 Annual Report. The Twenty-fourth Annual Report for the year ended Oct. 31 of the Hydro-Electric Power Commission, covering all the activities of the Commission and embodying financial statements respecting the local Hydro utilities for the calendar year 1931, showed that the number of municipalities served in Ontario by the Commission at the end of the fiscal year was 721. This number included 27 cities, 93 towns, 263 villages and police villages and 338 townships. With the exception of twelve suburban sections of townships, known as voted areas, the townships and 86 of the small villages were served as parts of 167 rural power districts.

The chief constructional activities of the Commission during 1931 comprised the completion to the initial operating stage of the Chats Falls development on the Ottawa river with its associated 220,000-volt step-up transformer station; the placing in service of the second and third units at Alexander power development which served the Thunder Bay system; improvements and repairs at the Big Chute plant on the Severn river, and at the South Falls plant on the South Muskoka river—two of the plants serving the Georgian Bay system; the building of one new bridge and the reconstruction of a portion of a second in connection with the concrete envelope around conduit No. 3 at the Ontario Power plant at Niagara; the construction on separate towers of a third circuit of the Hydro 220,000-volt transmission lines, to convey the power to be developed at Chats Falls; the construction of a new 132-000-volt transmission line, 189 miles long between Hunta and Sudbury in Northern Ontario; the addition of two transformer banks at Toronto-Leaside transformer station, also two transformer banks at Toronto-Bridgman transformer station; the completion of transformer stations in Hamilton and near Kingston; the construction of a number of smaller distributing stations on the several systems; the addition of transformer capacity to many transforming and distributing stations, and the construction of about 1,470 miles of primary lines in rural power districts.

Load conditions during 1931 may be summed up by stating that there was a marked decrease in the load of a few large industrial plants, but, except for these plants, the consumption of power throughout the Province, including that used for domestic and manufacturing purposes, remained at approximately the same level as during the preceding year. Compared with many similar undertakings, the Hydro enterprise maintained, in 1931, its load at a relatively favourable level, its revenues and the revenues of the associated municipalities were, to a noteworthy degree, also maintained, and the reserves of the undertaking were increased substantially. During 1931 there were in continuity of service no failures of moment, either in station or line equipment. On Oct. 25 two generators in the Chats Falls plant on the Ottawa river went into operation and power was first supplied from this development to the Niagara system.

The Report stated that the total investment of the Hydro-Electric Power Commission in power undertakings and hydro-electric railways was $267,575,-539.68 exclusive of Government grants in respect of construction of rural power districts lines; and the investment of the municipalities in distributing systems and other assets was $105,434,582; thus making in power and hydro-electric railway undertakings a total investment of $373,010,122. The Commission collected from municipal electric utilities and other power customers the total sum of $27,908,154. After meeting all charges there was a net surplus of $658,752. (The revenue figures do not include the revenue from the operation of the undertakings and companies which recently were acquired

by the Commission from the Dominion Power and Transmission Company, Limited.)

In the Section of the Report dealing with Rural Service the legislative enactments relating thereto were briefly reviewed. At the end of the year, there was more than $15,507,000 invested in the rural power systems established by the Commission. Towards this rural work the Ontario Government, pursuant to its policy of promoting the basic industry of agriculture in the form of "grants-in-aid," contributed 50 per cent. of the costs of transmission lines and equipment, or some $7,677,000. A total of 8,197 miles of transmission lines had been constructed to the end of the fiscal year, of which 1,470 miles were constructed during 1931. A total of 55,000 customers in the rural power districts was reported. It is interesting to note the growth recorded in the past decade for the urban Hydro utilities of all systems. The assets of 1931 were more than three times those of 1921, whereas the liabilities of 1931 were but little more than twice those of 1921. During the same period, the local utilities' reserves increased nearly sixfold and the surplus was four and a half times as great in 1931 as in 1921. The total annual revenues of $31,658,000 were nearly three times as great as in 1921.

An Act (21, George V. Chapter 13) to amend certain sections of the power Commission Act was passed during the year 1931.

The members of the Commission were: Hon. J. R. Cooke, Chairman, Mr. C. Alfred Maguire, and Rt. Hon. Arthur Meighen.

Provincial Incidents. The Registrar of Companies and Brokers (W. W. Denison), under the Real Estate Brokers Act, issued on July 3, 1931, an order applicable to all brokers in Ontario prohibiting the method of selling real estate by what was known as the "free-lot racket." This order as well as that passed three months previously effecting those who enticed purchasers falsely by the use of certain practices, followed upon investigation made by the Toronto Better Business Bureau and Col. Denison's Department.

An Order-in-Council was passed by the Ontario Government on Aug. 13, 1931, giving direct control over the operation of unemployment charities to the Department of Public Welfare. The regulations, which enacted that unemployment charities should thenceforth be administered under the permit system, were aimed at the elimination of professional charities, promoters and the alleged general tendency to permit excessive expenses in the administration of relief funds.

The dispute between the Province of Ontario and the City of Toronto over the possession of the $60,000 fine paid by Aemilius Jarvis in 1924 for conspiracy to defraud the Province in connection with the sale of bonds in England, was finally settled on Oct. 22, 1931, when the Judicial Committee of the Privy Council allowed the appeal of the City. The Ontario Court of Appeal had previously ruled in favour of the Province, while the Dominion Government had upheld the rights of the City. The judgment of the Privy Council concluded that "any right conferred on the Province of Ontario to claim fines as 'royalties' extends only to such fines as have not been otherwise appropriated by a competent authority, and that the Dominion Parliament is an authority competent to direct how such fines may be otherwise appropriated."

Hon. J. M. Robb, Minister of Health for Ontario, announced on Nov. 6, 1931, that the Province in conjunction with the Dominion Government had made a special vote of $2,000,000 to assist in building and extending *sanitaria* in order to cope with the increasingly serious tuberculosis problem. The Province would contribute 17.5 per cent.; the Dominion, the same amount, and the additional 65 per cent. would be made up by those institutions who desired to enlarge their work with the help of the Dominion and Provincial Governments.

Hon. William G. Martin, Minister of Public Welfare for Ontario, announced on Feb. 10, 1932, that an agreement had been entered into with the Federal Government whereby the Dominion in future would bear 75 per cent.

of the cost of Old Age Pensions, the Province, 15 per cent., and the municipalities, 10 per cent. This would mean an annual saving of approximately $1,400,000 to the Province and $900,000 to the municipalities.

Acting for the Attorney-General of Ontario, Messrs. Bain, Bicknell and Company filed a writ at Osgoode Hall on Mar. 17, 1932, against the executors and trustees of the estate of Sir Clifford Sifton (deceased), claiming $1,533,000 balance of Succession duty upon that estate and the estate of Winfield Sifton.

On June 3, 1932, upon the occasion of a complimentary dinner tendered him by the citizens of Fergus, Ont., and attended by members of the Canadian medical profession and Members of the Federal and Ontario Parliaments, Dr. Abraham Groves, pioneer surgeon, presented the deed of the Royal Alexandra Hospital, which he had founded there thirty years before, to the town of Fergus in which he had practised his profession for sixty-one years. The Hospital was to be known in future as the Groves Memorial Hospital.

It was stated in the Press on June 26, 1932, that the Department of the Attorney-General for Ontario had given directions for a conference of police heads, following upon receipt of communications from two or three of the municipalities concerned. The purpose of the conference was to determine some common policy in regard to the treatment of agitators.

The Abitibi Canyon Power Development Company, a subsidiary of the Abitibi Power and Paper Company, faced with a default of payment of interest due at July 1, 1932, on $20,000,000 worth of bonds, requested the Ontario Government to take steps to ensure the completion of their power project. The Prime Minister stated on June 25, 1932, that the Government, realizing the importance of the enterprise in the development of Northern Ontario, were prepared to give the request serious consideration. (See Section: Finance and Insurance for further details).

The personnel of the Ontario Advisory Committee on Relief, appointed by the Government and announced on June 6, 1932, was as follows: W. R. Campbell, Windsor, Chairman; J. Allan Ross, Toronto; C. Gordon Cockshutt, Brantford; A. C. Storie, Oshawa; Stuart K. Watt, St. Catharines; A. C. McFarlane, Hamilton; Stanley Higman, Ottawa; and D. B. Harkness, Toronto.

Unemployment and Relief in Ontario, 1929-32, by Professor H. M. Cassidy, University of Toronto, prepared under the auspices of the Unemployment Research Committee of Ontario, a group of leading Ontario public men organized to study the question of unemployment and relief, was published during the year 1932. The book, in some 300 pages, presented a detailed, accurate and impartial account, based on first-hand investigation, of how the leading Ontario communities met the problem of unemployment relief. Included are 38 statistical tables giving up-to-date figures for leading municipalities on such items as the number of unemployed, the number drawing public relief, the cost of relief, and the burden of taxation. In the final chapter findings are summarized and recommendations presented for future policy.

The policy of the United Farmers of Ontario was contained in resolutions passed at the Annual Meeting held in Toronto on Dec. 2-3, 1931, some of the more important of which urged: the cancellation of all road expenditure on Provincial construction where not imperatively necessary; the assumption by the Ontario Government of the 20 per cent. of the cost and maintenance of Provincial roads levied on the counties; a reduction of 25 per cent. in the rates to rural users by the Bell Telephone Company; the abolition of the Senate of Canada; the furtherance of temperance education; the closing of all liquor stores in the Province during the existing depression; the establishment of the Supreme Court of Canada as the final court of appeal in Canada; and the probing of all circumstances connected with the Beauharnois project. R. J. Scott, Belgrave, was elected President for 1932; W. G. Nicholson, North Bruce, Vice-President, and J. J. Morrison, Secretary.

In January, 1932, it was announced that *The Farmers Sun,* the official organ of the U.F.O., the sale of which had been authorized at a meeting of the shareholders on Dec. 2, 1931, had been purchased by Graham Spry,

Secretary of the Association of Canadian Clubs, Ottawa. The paper was to be published as a weekly and the first issue under its new owner appeared on Jan. 21.

The United Farmers Co-operative Company Limited announced on July 10, 1931, that it had been decided to wind up the affairs of the Ontario Wheat Pool and that thereafter the Co-operative would market Ontario grain on a strictly commission basis. At the Annual Meeting of Directors and Shareholders of the Company held Dec. 1-2, 1931, plans were introduced by the Directors for reorganizing the Company into a strictly co-operative buying and selling organization, but after much discussion the shareholders voted for a year's adjournment of such action and for the appointment of a committee to study the problem. Suggestions from the shareholders that the salaries of the Directors should be substantially cut in order that dividends could be paid aroused much opposition among the latter and resulted in no definite action being taken. W. A. Amos was re-elected President for 1932 and Bruce McNevin, Vice-President.

ONTARIO GOVERNMENT APPOINTMENTS

Office	Name	Gazetted 1932
Surrogate Judge, County of York	Frederick Montague Morson	July 4
Police Magistrate, *pro tem*, Lindsay, County of Victoria and Provincial County of Haliburton	Burton L. McLean	July 11
Police Magistrate, City of Ottawa	Glenn E. Strike	July 11
Police Magistrate, County of Hastings, and Townships of Cardiff, Harcourt, Monmouth and Glamorgan in Provisional County of Haliburton	Walter Ernest Wiggins	July 11
Police Magistrate, County of Glengarry	William Blyth	Aug. 1
Police Magistrate, County of Halton	John Robertson Elliott	Aug. 1
Police Magistrate, County of Middlesex	Cambridge Wellington Hawkshaw	Aug. 1
Crown Attorney and Clerk of the Peace, County of Prince Edward, *pro tem*	Fred. L. Ward	Aug. 1
Minister of Public Highways	Hon. Leopold Macaulay	Aug. 8
Member, Executive Council	George Holmes Challies	Aug. 8
Provincial Secretary and Registrar	Hon. George Holmes Challies	Aug. 8
Registrar of Supreme Court, District of Kenora	Ernest Appleton	Aug. 20
Master of Titles and Registrar of Deeds, District of Nipissing	Gordon R. Brady	Aug. 20
Registrar of Deeds, County of Lincoln	William Dycer Fairbrother	Aug. 20
Sheriff, Provisional Judicial District of Kenora	Lachlan Daniel MacCallum	Sept. 5
Inspector of Legal, Registry, Land Titles Offices and of Division Courts	Walter Wallbridge Denison	Sept.12
Surrogate Registrar, County of Frontenac	Henry Egleston Richardson	Sept.26
Registrar of Deeds, County of Victoria	Donald McQuarrie	Oct. 3
Deputy Police Magistrate, Ottawa	Michael Joseph O'Connor	Oct. 17
Police Magistrate, Deseronto and Township of Tyendinaga	George Fayette Palmer	Oct. 17
Supervising Coroner of Ontario	Malcolm McL. Crawford, M.D.	Oct. 17
Police Magistrate, Township of Toronto	Edmund Joseph Pallett	Dec. 12
Sheriff, County of Carleton, including City of Ottawa	Samuel Crooks	Dec. 12
Sheriff for City of Toronto	Alexander Marshall Gorrie	Jan. 30
Surrogate Judge, County of Dufferin	Walter T. Robb	Jan. 30
Surrogate Judge, District of Manitoulin	Albert Brock Currey	Feb. 20
Surrogate Judge, County of Grey	George Whitaker Morley	Feb. 20
Local Master of Supreme Court, County of Dufferin	Walter T. Robb	Mar. 26
Surrogate Judge, County of Haldimand	Wesley S. West	Mar. 26
Surrogate Judge, County of Peel	Trevor H. Grout	May 7
Sheriff, District of Nipissing	Robert Young Angus	June 4
Local Master of Supreme Court, County of Grey	George Whitaker Morley	June 18

The Province of Ontario

(As at June 30, 1932)

Lieutenant-Governor .....(Vacant)*

*NOTE.—An announcement to the effect that Colonel Herbert Alexander Bruce, A.M.S., C.A.M.C., M.D., L.R.C.P., F.R.C.S., of Toronto, had been appointed Lieutenant-Governor of Ontario was made at Ottawa on Oct. 25, 1932.

The Henry Ministry (Conservative)

President of the Executive Council and Minister of Education	Hon. George Stewart Henry, B.A., LL.B., LL.D.
Attorney-General	Lt.-Col. Hon. William Herbert Price, K.C., LL.B.
Minister of Mines	Hon. Charles McCrea, K.C.
Minister of Lands and Forests	Hon. William Finlayson, K.C.
Minister of Public Works and Labour	Hon. Joseph Dunsmore Monteith, M.D., C.M.
Provincial Treasurer	Hon. Edward Arunah Dunlop
Minister of Health	Hon. John Morrow Robb, M.B.
Minister of Agriculture	Col. Hon. Thomas Laird Kennedy
Minister of Highways	Hon. Leopold Macaulay, B.A., LL.B.
Minister of Public Welfare	Hon. William George Martin
Secretary and Registrar	Hon. George Holmes Challies, B.PH.
Minister without Portfolio	Hon. John Robert Cooke
Minister without Portfolio	Hon. Henry Chadwick Scholfield
Minister without Portfolio	Hon. Paul Poisson, M.D., M.C., V.D.

Speaker of the House ..... Hon. Thomas A. Kidd

Heads of the Administrative Services

Deputy Minister of Education	A. H. U. Colquhoun, B.A., LL.D.
Deputy Minister, Dept. of the Prime Minister	Horace Wallis
Assistant Provincial Secretary	F. V. Johns
Deputy Minister of Game and Fisheries	Donald McDonald
Deputy Attorney-General	Edward Bayly, K.C.
Deputy Minister of Mines	T. W. Gibson
Provincial Auditor	Gordon A. Brown
Clerk, Executive Council	C. F. Bulmer
Deputy Minister of Lands and Forests	W. C. Cain
Provincial Archivist	Col. Alexander Fraser, LL.D.
Superintendent of Insurance	R. Leighton Foster
Deputy Minister of Hospitals	Harry M. Robbins
Finance Comptroller and Assistant Treasurer	F. Martin Turnbull
Deputy Minister of Northern Development	C. H. Fullerton
Deputy Minister of Public Works	George Hogarth
Deputy Minister of Forestry	E. J. Zavitz
Clerk of the Legislative Assembly	Major A. C. Lewis
Deputy Minister of Health	Dr. W. J. Bell
Deputy Minister of Highways	R. M. Smith
Deputy Minister and Surveyor-General, Department of Lands and Forests	L. V. Rorke
Deputy Minister of Agriculture	James B. Fairbairn
Deputy Minister of Labour	Arthur W. Crawford
Deputy Provincial Secretary	C. F. Neelands
Deputy Minister of Public Welfare	M. A. Sorsoleil
Chairman, Agricultural Development Board	W. B. Roadhouse
Chairman, Mothers' Allowances Commission	Hon. David Jamieson, M.D.
Chairman, Old Age Pensions Commission	Hon. David Jamieson, M.D.
Comptroller of Revenue	John T. White, K.C.
Law Clerk of the Legislative Assembly	Allan M. Dymond
Civil Service Commissioner	John M. McCutcheon
King's Printer	H. H. Ball
Public Trustee	A. N. Middleton

THE PROVINCE OF QUEBEC

General Conditions; Leading Events

The dark cloud of depression continued to overhang the Province of Quebec during the twelve-month period from July 1, 1931, to June 30, 1932, but the popular morale was remarkably well-sustained in spite of this, a few isolated demonstrations of discontent being conspicuous by their freedom from violence and the absence of any general support. The plight of the newsprint and lumber industries was still more serious than in the preceding year: mills working on short time or being closed down altogether for want of orders and in the first six months of 1932 a number of pulp and paper enterprises became so critically embarrassed that they were unable to meet their obligations and schemes of reorganization brought forth protective committees of security-holders. Industry and commerce—the latter in particular—although their operations were sub-normal, seemed to be weathering the storm. As for individuals, those who remained in employment had to accept salary and wage cuts but were subjected to no real hardships and still had money to put in the savings banks, lack of confidence prompting them to keep their purchases down to bare necessities. The unemployed were as numerous as ever and the best efforts of relief agencies were called forth to prevent actual distress, notwithstanding the public works programme of the Federal, Provincial and municipal authorities. Tourist traffic was lighter than usual in the Summer of 1931 and gave promise of being still more unsatisfactory at the beginning of the succeeding season. Last but not least, Agriculture felt the pinch of low prices and tight credit but still carried on, undismayed.

This was election year in the Province of Quebec and, in addition to the Provincial campaign, an account of which will be found a little later on in this Section of *The Review*, there were stirring municipal contests in both Montreal and Quebec City. In the Ancient Capital, rates for electricity constituted a burning issue, in more ways than one, that dominated the elections. In the Spring of 1930, the local Board of Trade and the City Council had appointed special committees to study the question and these presented reports shortly before the end of the same year: that of the civic committee being both voluminous and aggressively hostile to the Quebec Power Company, while the Board of Trade committee was critical but extremely moderate by comparison. The Company, in defending itself, pointed to the taxes it was obliged to pay to the Federal Government, to a low *per capita* consumption and to the necessity of paying returns upon the invested capital. Popular opinion, however, was in no

mood to listen to any such pleas and insisted uncompromisingly upon rates comparable to those charged in Ontario municipalities served by the Hydro-Electric Commission, or upon municipalization as an alternative. Throughout the whole of 1931 agitation continued: reductions offered by the Company were bluntly rejected and attempted negotiations broke up almost before they were begun, nor did a new sliding scale put into effect voluntarily in the month of July at all appease popular indignation, which clashes before the Legislature brought to fever pitch by the opening of the election campaign at the New Year. On the whole the retiring Administration had been weak and exposed itself to attack in many directions but everything else was forgotten in this one issue, which assumed something of the proportions of a crusade and was skilfully exploited by the Mayor, Lieut.-Col. H. E. Lavigueur. His opponent, Mr. E. A. Tremblay, a veteran Alderman, claimed to be as sound on this question as His Worship but the very fact of contesting the mayoralty aroused suspicion of the latter's motives. On Feb. 14, 1932, Mr. Lavigueur won a record majority of 4,606 votes and with it a second consecutive term of office. Several of his supporters met with defeat in spite of his personal success, chief of these being Mr. Pierre Bertrand, M.L.A. for St. Sauveur and a member of the Quebec Harbor Commission.

In the Montreal contest it is fair to say that the supreme issue was the personality of Mr. Camillien Houde. He had met with staggering defeat as Leader of the Conservative Party in the Provincial Election and as Chief Magistrate he had lost much of the popularity that had earned for him a second civic mandate by a sensational majority, two years previously. During his first term Mr. Houde had no control of the City Council and, therefore, possessed no administrative power but, in his second term, he was able to conduct the affairs of the metropolitan city as he wished, by means of a supporting Aldermanic majority, and had proved himself unmistakeably to be happier in the *rôle* of a critic than in that of an administrator. Needless to say, both his civic adversaries and the Provincial Liberals were anxious to crush him once and for all, while the Federal Conservatives who might have rallied to his aid, were lukewarm in their sympathies by reason of his own inaction in the Federal campaign of 1930. Even some of his former lieutenants, men such as William Tremblay of Maisonneuve, had become estranged from him. Although he presented a stout front, defeat was in the air.

The first aspirant to civic honours who showed himself was Judge Amadé Monet but he did not seem to be altogether to the liking of the politicians and Hon. Fernand Rinfret, M.P., former Secretary of State for Canada, soon entered the field in his stead. A third candidate to appear was Ald. J. M. Dubreuil who, however, died suddenly at his home on Sunday, Mar. 13, 1932, when due to address a meeting. This fatality failed to discourage Messrs. Seraphim Ouimet, C.E., and O. L. Gingras, who presented themselves as Independents, making it

a four-cornered fight, although Messrs. Houde and Rinfret were always the two serious contenders. The result of the elections, held on Apr. 4, was a decisive win for Mr. Rinfret, by a majority of nearly 12,000, this, notwithstanding that Mr. Houde piled up the substantial total of 52,614 votes, a decrease of more than 26,000 votes from his previous figure. Mr. Ouimet polled 7,608 votes and Mr. Gingras but 1,913, so that both of them lost their deposits, in common with 19 Aldermanic candidates. Anti-Houde Aldermen elected numbered 24, as against 10 supporters of the defeated Mayor. Mr. Rinfret modestly thanked the electors for their confidence in him but Mr. Houde expressed fear that Montreal was now delivered into the hands of the Quebec Government. The Prime Minister (Mr. Taschereau) did not conceal his pleasure at this welcome result.

Belief was general that the ill-starred ex-Mayor would now give up his leadership of the Provincial Conservative Party but to do this would have meant summoning a general convention at an expense that the Party organization was in no position to undertake and Mr. Houde himself, moreover, showed not the slightest inclination to give up what still remained to him. At the end of the period this question still aroused newspaper interest but no move had been made by anyone to effect a change.

An event of much importance to the Province was the naming of Rt. Rev. Jean Marie Rodrigue Villeneuve, youthful Bishop of Gravelbourg, Sask., as Archbishop of Quebec; word being received from Rome on Dec. 13, 1931. About two months later, on Feb. 24, 1932, the enthronement took place at the Basilica of Quebec, in the presence of the Apostolic Delegate and other eminent prelates.

On July 21, 1931, the village of St. Raymond in Portneuf County, was flooded by the St. Anne River, causing a near-panic among the inhabitants and doing much damage; it was the only point in the river-valley to suffer, however. In the early Autumn of the same year, there was an outbreak of infantile paralysis in Montreal: the cases reported up to Sept. 1 numbered 100. Forest fires raged at several points in the Province during the latter part of May, 1932. In particular the towns of Rouyn and Noranda in the mining region were threatened. Other outbreaks were reported in Portneuf and Lotbiniere Counties, while the village of Val Alan was razed to the ground, 20 houses being destroyed. Due to steady rainfall, these fires were finally reported to be under control on June 9, but towards the end of the month new conflagrations were reported to be eating into the valuable timber belt in the Saguenay region.

Problems arising out of unemployment, needless to say, were much in the public mind: an Order-in-Council was passed by the Provincial Cabinet on Thursday, July 23, 1931, reducing stumpage dues 50 per cent. to assist in finding work for a greater number of men in the lumber camps. On Oct. 13, Hon. Hector LaFerté announced that 4,000 families, including repatriated French-Canadians, had been placed on farms by the Government as a result of the back-to-the

land movement. In the light of acquired experience, the Government had made up their mind by the end of the Winter of 1931-32, not to engage in any more public works as a means of unemployment relief, and on June 1, the Prime Minister (Hon. L. A. Taschereau) gave a blunt intimation to this effect to a municipal delegation from Montreal, warning them that that City would have to provide for the needs of its citizens who were out-of-work by direct relief, extended through charitable organizations; while on June 25, after careful negotiations, the Quebec Administration decided to accept the plan of the Federal Minister of Labour, under which the Dominion, Quebec and the individual municipalities would each contribute $200, or $600 in all, per family, to place unemployed persons upon the land.

The new Workmen's Compensation Act, embodying the principle of state insurance, came into effect on Sept. 1, 1931, but some eight months later, on May 25, 1932, Mr. Justice Delorimier handed down a decision at Montreal, ruling that part of this legislation, together with the Compensation Commission created under it, was illegal; it constituted a substitution of this new body for the regular Courts of Justice. Five days later Mr. Taschereau announced that the above ruling would be appealed by his Government to the Supreme Court and to the Privy Council, if necessary. Another interesting judicial decision at Montreal raised a new marriage problem: hitherto the Courts had tended to uphold unions which the Roman Catholic Church annulled, but this time it was the other way about, with the ecclesiastical authorities seeking to maintain a marriage that had been annulled by the Courts. The circumstances were the following: in 1928, Marie Jeanne Des Ormiers contracted marriage while still a minor and annulment was granted by the Courts, on the ground that her parents' consent had not been obtained. Later, this same girl married J. Adrien Perrault who, when wedded bliss began to be irksome, petitioned the Court to annul this second match because of an ecclesiastical ruling that his wife's first match had been a valid one. On May 31, 1932, Mr. Justice Boyer, however, upheld the annulment of the previous marriage and rejected the second husband's petition. At the end of the period here under review the municipal authorities of Montreal and of Quebec City were making a determined drive against so-called Bible Students and other persons peddling the tracts of new and unrecognized religious beliefs. At Quebec, charges of blasphemous libel failed but a conviction was later obtained on the charge of peddling without a licence; despite a nominal fine this judgment was immediately appealed. At Montreal persons who had actually peddled without a licence were likewise convicted but there seemed to be some doubt as to whether those distributing religious pamphlets gratuitously could be interfered with. Following the appointment of Mr. Leon Lambert, made on

Oct. 2, 1931, as Chief of Provincial Police, the Force itself was reorganized by Order-in-Council on May 19, 1932, so as to consist of 160 officers and men, divided into detectives and constables, with classifications and salaries provided for in the Montreal and Quebec Districts.

Montreal Harbour was the scene of a terrible marine disaster on Friday, June 17, 1932, when an explosion occurred in the hull of the oil tanker *Cymbeline*, while at Vickers Yards for repair: a serious fire resulted and among the dead, in addition to 23 civilians, were Fire Chief Raoul Gauthier and three other firemen; these last being tendered a civic funeral. During the latter part of July, 1931, an international conference of Biologists paid a visit to the north shore of the Lower St. Lawrence. Other events of the year were the election of Louis St. Laurent, K.C., of Quebec, as President for a second term by the Canadian Bar Association, in convention at Murray Bay, on Sept. 3, 1931; the resignation of Hon. Philippe Jacques Paradis, who had been the Provincial Government's nominee on that body, as Chairman of the Town-Planning Commission of Quebec City, on Tuesday, Nov. 17; and the awarding of prizes for their literary work to Abbé Groulx and Mr. L. P. Geoffrion, Clerk of the Legislative Assembly, by the French Academy, on July 9, 1931. The appointments of the year were as follows: W. Amyot, K.C., to be Registrar in charge of the Quebec Fraud Prevention Act, on July 9, 1931; later in the same month, Hon. Gerard Power, G. C. Piché, Chief Forester, and Messrs. J. S. Beck and Armand Daigle, to form a Commission on the utilization of forest products; W. S. Bullock, former M.L.A. for Shefford, to the Legislative Council, Aug. 5; Elie Barbeau, St. Hyacinthe, Chairman, Messrs. N. Charest and J. F. Desmarais, Montreal, David Black, Lachute, David Roy, St. Michel de Bellechasse, and J. H. Coté, Quebec, to form a Provincial Dairy Commission, Aug. 14; P. G. Roy, Provincial Archivist, to be Curator of the Provincial Museum at Quebec, succeeding the late C. J. Simard, Nov. 27; Victor Marchand, former M.L.A. for Jacques Cartier, to the Legislative Council, Apr. 13, 1932; and Hon. Gordon Scott, former Provincial Treasurer, re-appointed to the Legislative Council, after unsuccessfully contesting St. George's Division, Montreal, at the General Election, June 16, 1932.

The Annual Autumn Convention of the Union of Quebec Municipalities was held at Drummondville in the last week of October, 1931, and was reported to have been one of the finest and best attended in the history of the organization. A number of important resolutions were adopted and forwarded to the Prime Minister (Mr. Taschereau); among them were recommendations of legislation compelling bicycles and horse-drawn vehicles to carry lights after dusk, of the codification of municipal by-laws, and of Amendments to the Municipal Code and Cities and Towns Act to enable the regulation of water consumption by the municipalities. The date for the Summer Convention in 1932 was moved on from the month of June to

that of July and, therefore, does not come within the purview of this *Review.*

The General Election of 1931

The one major political event of 1931-32, apart from the Session of the Legislature, was the holding of the General Election, the result of which—another sweeping victory for the Taschereau Administration—was given in a foot-note to the Quebec Section in the preceding edition of *The Canadian Annual Review.* On July 1, 1931, Mr. Camillien Houde, the Conservative Leader, had just completed a tour of the Gaspé Peninsula which was attended with encouraging success. This raised Party hopes to a high pitch. Members of the Government, notably Hon. L. A. Taschereau (Prime Minister) and Hon. J. E. Perrault (Minister of Roads and Mines) had also been active at a number of points in the Province. There had been, as yet, no Dissolution of the Houses and the Prime Minister was keeping his counsels on the subject of a General Election closely to himself, but everyone knew that a campaign was imminent and both sides continued their activities throughout the month.

The awaited announcement that the Legislature had been dissolved came on July 30, when Polling Day was set for Aug. 24. Liberals and Conservatives alike professed eagerness for the fray and not for many years had there been so much popular interest in the contest. The Government had to face the handicap of a *régime* of exceptional length, with all the attendant grievances and discontents incurred thereby, intensified by unemployment and hard times generally. The Opposition had a young, aggressive and hard-working Leader with a reputation for spectacular successes, apparently backed by more extensive funds and a more efficient organization than Arthur Sauvé had ever had at his disposal. Although the majority of the daily newspapers stood by Mr. Taschereau, Mr. Houde was by no means without Press support and he put the radio to intensive use. Moreover, his workers were greatly heartened by a win for Federal Conservatism in the By-Election held at Three Rivers on Aug. 10. The only notable features of the line-up of candidates were the retirement of Hon. Alfred Leduc, Minister without Portfolio, from active politics and the nomination of Hon. Gordon Scott, who refused to resume the Treasurership until he had been elected, in St. George's, Montreal, to oppose the veteran C. E. Gault. The campaign was officially opened by the Prime Minister in a big rally at Matane on Aug. 1, and the work of putting candidates in the field proceeded rapidly, though much more so on the Liberal than on the Conservative side.

The planks in the official programme of Mr. Taschereau were as follows: (1) Rural Economy; (2) Social Insurance Legislation; (3) Special County Schools of Technical Agriculture; (4) A Back-to-the-Land Policy; (5) A Separate Ministry of Labour; (6) The Development of Tourist Traffic; and (7) Completion of the High-

ways. Mr. Houde's official platform was composed of the following planks: (1) Pensions for old people, widows and orphans; (2) A Separate Minister of Labour; (3) Cheap Electricity; (4) Assistance to Public Instruction; (5) Assistance to Agriculture; (6) Systematic Colonization; (7) Revision of the Public Charities Act to meet the views of the ecclesiastical authorities; and (8) A complete National Inventory.

During the first half of August, in fact, until within a few days of the closing of Nominations, the tide of popular favour set strongly towards the Opposition forces, who were confidently expected to make a close fight of it at the worst: so much so that Members of the Government themselves were inwardly resigned to the loss of a number of seats. Then a sudden change came over affairs; on Aug. 19 *The Chronicle Telegraph*, Quebec, was the first to hazard a definite statement that the tide had turned, and from then on it set just as strongly against the Conservatives as it had previously been favourable to them. What brought this revulsion of feeling about remains a matter of conjecture and of controversy. Their opponents charged that the Liberals had poured large sums of money into the counties to give employment on the roads and on other public works. On the other hand, Government partisans contended that Mr. Houde had alienated public confidence by the extravagance of his promises and the recklessness of his accusations. As far back as July 26, speaking at Lake Megantic, the Conservative Leader, who had to advise him Laurent Barré, a well-known agricultural publicist and one who had played a foremost part in the organization of Catholic Farm Unions, made a desperate bid for rural support by pledging himself, if returned to power, to extend credit to farmers at 2 per cent. This he repeated on a number of occasions and Liberal spokesmen were not slow in challenging him to show how he would be able to do it. Mr. Houde also declared now, that there was a plot to arrest Conservative workers wholesale, and that his own life was in danger. But most of all, he seemed to weary the patience of the electors by an excessive display of energy. The Conservative Leader would make three or four speeches in a day at as many different points and wherever he went, the radio went with him. His voice, naturally penetrating and dissonant, was almost worn out by his exertions and always his remarks were punctuated by denunciations or belittlements of his adversaries. By contrast, Mr. Taschereau stood firmly upon the record of his Administration and warned against changing the Government during a time of crisis. The only special promises he made that could be construed as an effort to woo the electorate were that if the working class would give him a Labour Member he would make him Minister of Labour and that he would call a special Autumn Session of the Legislature to deal with unemployment.

Nomination Day, Aug. 17, produced 200 candidates for the 90 seats. Both Parties had complete slates, in addition to which there were 4 Labourites and 16 other Independents. On the whole, the day

passed off in an orderly manner but owing to the vigorous, if not violent tactics resorted to in some constituencies, isolated disturbances occurred. In Montmorency, Laval and Quebec County there were fist-fights and, in Kamouraska, there was a shooting which, fortunately, had no fatal ending. Mr. Houde, showing what was construed to be lack of confidence in his own stronghold, was nominated for St. James, as well as for St. Mary's, Montreal.

On Aug. 20, as Provincial Treasurer, Mr. Taschereau announced a Surplus of $600,000 for the fiscal year just ended; in spite of which happy augury Thomas Maher, Conservative Organizer in the District of Quebec, publicly claimed 62 seats for the Opposition two days later. On Aug. 24, as already stated, polling took place and the vote was generally a heavy one. With the returns all in it was found that the Taschereau Administration had gained a majority of 68; Liberals elected numbering 79 and the Conservatives only 11, or exactly the same representation as they had had in the previous Legislature, before they carried Huntingdon in a By-Election. The only serious casualty on the Government side was the defeat of Hon. Gordon Scott by Mr. Gault, while the Opposition losses were Camillien Houde himself; Joseph Renaud, Laval; Armand Crepeau, Sherbrooke; William Tremblay, Maisonneuve; and Alderic Blain, K.C., Dorion, Montreal. To replace these, new Conservative Members were Laurent Barré, Rouville; Pierre Bertrand, St. Sauveur; H. Béique, Chambly, and A. Elie, Yamaska. Though such a result was apparently one-sided the strength of the Conservative effort demonstrated itself in materially reduced Liberal majorities in many of the constituencies and in the four gains just mentioned. On the other hand, several Conservative candidates lost their deposits. In statements issued after the votes had been counted, Mr. Taschereau exulted in "the greatest victory in the history of the Liberal Party", while his defeated opponent bowed to the will of the electors.

The comment of *The Gazette*, Montreal, published the following morning, is typical of general newspaper opinion—particularly in the Province of Quebec. It observed in a leading article:

"The Taschereau Government has been sustained by a more than substantial majority, and those who may have entertained doubts as to the probable outcome of yesterday's voting will feel easier in their minds at the escape of the Province—no narrow escape as events now show—from a possibility which must have appeared to them as fraught with very serious dangers. It is apparent now that the vast majority of the electors of the Province were sensible of the gravity of a threat which, accompanied with much sound and fury, assumed proportions far in excess of its actual strength . . . The Opposition Chief is himself without a seat—nor has he been more successful in his campaign as a whole. There were plain evidences in the latter days of the campaign that he had over-played his hand, and that the vehemence of his utterances was reacting materially to his disadvantage."

Perhaps a more thorough-going Conservative view than that expressed in the foregoing, is to be found in an editorial of *The Calgary Herald* that declared:

"The Election in Quebec was a prize joke on the rest of the Dominion. Observers outside that fair and somewhat mysterious French-Canadian Pro-

vince were sadly misled by the campaign reports . . . It was a common feeling beyond the boundaries of Quebec that Premier Taschereau was tempting fate once too often in seeking renewal of mandate in this year of Beauharnois scandal and business depression. As it turned out, Mr. Taschereau, scion of an honored French-Canadian family and Premier since 1920, knew his compatriots far better than any English-speaking outsider. He knew when to take occasion by the hand.

"On the other hand, the overwhelming reverse of the Provincial Conservative Party is no doubt in a large part due to the leadership of Mayor Houde of Montreal. It looks as if the latter over-played his accusations of malfeasance, just as he over-played his promises. It was fairly obvious that he could not implement them . . . The result emphatically calls for a new Conservative leader."

Orthodox Liberal rejoicings are to be found in the remarks of *The Regina Leader-Post,* in part as follows:

"There are several things that are made clear by the result of the General Elections in the Province of Quebec on Monday. One is that Liberalism remains a very virile force in that oldest of Canadian Provinces. The Liberal Party has been in power in Quebec for 34 years. For this reason it would have occasioned no surprise to many if the Government's majority had been seriously reduced or even if the Government had been defeated. The fact is that we find it back in power, stronger than ever . . . The result of the Election, in brief, appears a striking tribute to honest and efficient government."

On Sept. 17 Mr. Taschereau redeemed one of his campaign pledges by announcing that the Legislature would meet on Nov. 3 to deal with unemployment. At the same time a report on its activities for the year was presented to Hon. J. N. Francoeur by the Unemployment Commission, showing that over 1,000 municipalities in the Province had been granted sums totalling $10,088,600 for relief purposes.

Apart from the general result the Election just held created more or less serious problems for both Parties. On the Government side, Hon. Gordon Scott announced his retirement from active politics, following his defeat in St. George's, Montreal; thus raising the question of English-Protestant Cabinet representation, together with that of the permanent filling of the Treasury Portfolio, as it was understood that Mr. Taschereau had only taken this over as an emergency measure. The Opposition for their part, had to cope with the issue of Party leadership and with the much more pressing one of House leadership. On Oct. 2, Conservative Leaders decided to contest the seats lost to them, *en bloc,* while the Liberals retorted with an intimation that, in this event, 10 of the 11 seats won by the Opposition would likewise be contested. Maurice Duplessis (Con.), Member for Three Rivers, in two successive interviews, one at Montreal and the other at Quebec, disassociated himself from the stand taken by his colleagues, in which he could see neither wisdom nor advantage.

The newly-elected Conservative Members and defeated candidates met at Montreal on Sept. 26, when they re-affirmed their faith in Mr. Houde and expressed regret at the outcome of the Election, "due to uncontrollable circumstances." At a second meeting of Opposition Members on Oct. 16, also held in Montreal, the appointment of C. E. Gault as Conservative House Leader came as a complete

surprise; he was the first English-speaking Opposition Leader since the foundation of the Province. It is true that the Member for St. George's, Montreal, was the dean of his Party and one of the oldest Members in the Assembly; just as it is true that his defeat of Hon. Gordon Scott was an exploit that deserved recognition. But, on the other hand, however, he possessed few qualifications for the proper discharge of the duties thus assigned to him. An infrequent and most inaudible speaker, with but one language at his command, he lacked the technical training to scrutinize proposed measures closely and was no match for such doughty swordsmen as the Prime Minister and his lieutenants in a battle of wits. Why this singular choice was made can quickly be explained. On the basis of merit and ability the post could have gone to no one but Maurice L. Duplessis who had acted as Opposition House Leader in the previous Legislature during the lengthy and frequent absences of Mr. Houde, occasioned by the latter's obligations as Mayor of Montreal. But many of his colleagues had always mistrusted the patrician birth, high culture, irrepressible wit and dashing brilliance of the Member for Three Rivers. In their estimation he was far too courteous towards his political opponents, too punctilious in his regard for the amenities of Parliamentary life, and his forceful protest against the wholesale contestation proceedings had intensified the disfavour in which he was held. Aimé Guertin, Member for Hull, cherished ambitions and Mr. Houde would certainly, of the two, have preferred him, but to supplant the claims of Mr. Duplessis in this way would have been to risk creating a split in the Party. In any case, Mr. Houde, who had by no means lost hope of retrieving his fortunes, could hardly be anxious to pass on the leadership, even temporarily, to any compatriot who might overshadow him in his absence and who might later on carry a Party convention if and when it should be held. Mr. Gault, accordingly, could be relied on to make an innocuous seat-warmer and could be persuaded to accept that somewhat thankless position as an honour paid to him in recognition of his long years of service. Needless to say, this analysis of the situation is based on hypothesis to a considerable extent but it should prove itself to be a reasonably accurate one, nevertheless.

During the latter part of October and the first part of November, the contestation proceedings were got under way but preliminary objections by the defendants had to be disposed of before the cases could be heard on their merits. In a hearing before the Practice Court at Quebec, Nov. 25, Mr. Houde made the important admission that he had personally furnished the money, amounting to $60,000 in all, to contest 63 seats; he declined to say, however, from where these funds had come. Cases were heard by different Judges in the several judicial districts of the Province and although a few of them were dismissed, Liberal objections were set aside in a number of instances and there was promise of serious confusion and prolonged litigation when the Government intervened by introducing a remedial Bill in the Legislature.

On Oct. 28, immediately before the Session was convened, Mr. Taschereau redeemed his second campaign pledge in appointing as Minister of Labour, Mr. C. J. Arcand, a Labour representative who had been elected to support him in Maisonneuve. At the same time, he disposed of the difficulty of English-Protestant Cabinet representation by naming Hon. George Bryson, a veteran Member of the Legislative Council, Minister without Portfolio. This choice was approved of by the minority which had a high regard for the personality of the new Minister but, at the same time, it dashed to the ground their hopes of the Treasury Portfolio which had been traditionally reserved for them. It is true that Hon. Gordon Scott had been twice rejected by his fellow-countrymen, once in Huntingdon and a second time in St. George's, Montreal but, as against this, two new Liberal Members had been returned by English-Protestant constituencies; namely, Lieut.-Col. R. F. Stockwell, K.C., in Brome and W. J. Duffy, Mayor of the municipality of Gould, in Compton; and it was felt that the former, in particular, was distinctly eligible for Cabinet rank. Notwithstanding this sentiment, the Prime Minister apparently wished to give the new recruits a chance to prove their mettle and continued to act as Provincial Treasurer himself.

The 1931-1932 Session of the Legislature

The first Session of the Eighteenth Legislature of the Province of Quebec, as previously announced by the Prime Minister, was opened by His Honour the Lieutenant-Governor, Hon. H. G. Carroll, on Nov. 3. Though it lasted for some four months and was somewhat longer than the average, even allowing for the Christmas Recess and though, too, it was marked by a few spirited debates, on the whole the proceedings were devoid of special interest or colour. The Opposition was disheartened by defeat, badly divided beneath the surface, and was composed in part of men new to Parliamentary life. Under the circumstances, they did the best thing possible by avoiding aggressive tactics to a large extent. Moreover, even though Mr. Duplessis put aside any personal feelings and took the real work once again upon his own shoulders, the Conservative group was badly handicapped in such opposition as was attempted by the absence of forceful leadership; Mr. Gault maintaining the same taciturn attitude that had characterized him as a private Member during many years.

Notwithstanding the fact that unemployment was the cause of the Legislature's being convened at such an early date for a second year, the Speech from the Throne refused to sound a pessimistic note. "Quebec has been perhaps the least affected of any Province," it declared. Regret was expressed at the passing of Cardinal Rouleau, reference being next made to a return to the land as the best remedy for unemployment. On the other hand, warning was given that "the public resources are not inexhaustible and the charity of individuals must come to the aid of the unemployed." Legislation foreshadowed included the creation of a Commission to supervise municipal loans, the amending of the Election Act, the organization of a Department of Labour, and provision for new taxation made necessary by the depression, which would, however, be light, promise was made. Noting that agricultural Credit was needed in the Province and that the Federal system had proved to be unsatisfactory, the hint was thrown out that "other means may have to be sought." The Address-in-Reply to the Speech from the Throne was moved in the Assembly the following day by Dr. Gaspard Fauteux, conqueror of Mr. Houde in St. Mary's, Montreal, and seconded by Col. R. F. Stockwell, K.C., successor of Carlton Oliver (deceased) in Brome County. Hon. J. F. Daniel moved the Address in the Upper Chamber and Hon. W. S. Bullock,

it's seconder, caused a decided flutter by advocating compulsory voting to offset electoral corruption. Joining in the Debate, Mr. Gault assumed his duties as Opposition House Leader by promising not to overthrow the Government during the Session. He pledged Conservative support in the passage of relief measures but registered firm protest against increased taxation. Mr. Taschereau (Prime Minister) who followed him, announced that Quebec would demand her voice in any discussions of the St. Lawrence project and intimated the bringing down of legislation to help the railways to meet the competition of motor trucks and buses. One week later the Address was adopted after an exceptionally brief debate, wound up by Hon. Athanase David and Mr. Maurice Duplessis, but only after Brig.-Gen. C. A. Smart, still badly shaken by serious illness that had overtaken him during the Election campaign, caused a sensation by repudiating the leadership of Messrs. Houde and Gault, as he had previously renounced that of Mr. Arthur Sauvé, before the latter's translation to the Federal field.

On Nov. 19, the Government's unemployment relief measure, piloted by Hon. J. N. Francoeur, passed all stages in both Houses and was sanctioned by the Lieutenant-Governor. This Act ratified the agreement entered into between the Provincial and the Federal Governments and provided for the payment of their respective contributions by the Province and the individual municipalities, either out of revenue or by means of loans. The annual Budget was presented by Mr. Taschereau on Nov. 25, as stated elsewhere, and was adopted three weeks later without division, after another comparatively expeditious Debate, interspersed, as it was, with other business. A feature that caused some surprise was the absence of provision in this financial statement for the new taxation spoken of in the Speech from the Throne and that was subsequently embodied in a number of separate Bills.

Easily the most contentious measure of the entire Session and one that will go down in the history of the Province because of the principle involved, was the so-called Dillon Bill whose object was to quash the wholesale contestation of seats set in motion by Mr. Houde. This measure was introduced in the Assembly by Hon. Joseph Dillon on Nov. 26, and had two main provisions; one, to make it unnecessary for a Member to ask the Courts for immunity from being summoned before them during the period of the Session, and the other to require the petitioner in a contestation to put up a deposit of $1,000 from his own personal means. This point could be raised at any stage of the proceedings and the effect of the Bill was to be retroactive so as to cover cases actually pending and in progress. Naturally the Opposition could not be expected to look with any favour upon such a drastic change in the existing law but their chief objections centred upon the retroactive feature by which, they claimed, the Government was substituting itself for the Courts, so as to prevent the exposure of the means by which its supporters had won their seats. As against this, Ministerial spokesmen maintained that resort to contestations *en bloc* had never been contemplated in the legislation on this subject, the effect of which was to substitute the Courts for the will of the electors. The expense and confusion created by these cases was pointed to, as also the fact that a standard form of petition, specifying every possible form of irregularity, had been used in each instance. It was alleged that the petitioners were not representative citizens and had no personal knowledge of or interest in the acts complained of. But above all, the point was made, on his own admission, that the required money had been furnished by Mr. Houde without exception; he being thus the real petitioner. In the course of debate Mr. Gault hinted that the Dominion's *veto* of the Dillon Bill might be sought: whereat Mr. Taschereau sprang to his feet with the indignant challenge—"Hands off Quebec!" While Conservative feeling was bitter nothing in the way of a filibuster was attempted. On Dec. 15, Hon. Thomas Chapais, a respected elder statesman and one of two Opposition survivors in the Upper Chamber, attacked the Bill there upon constitutional grounds, while a caucus of Conservative Members was, at the same time, deciding to ask the Lieutenant-Governor to withhold the Royal Assent from it. In spite of everything, the Bill passed the Legislative Council the following day and Mr. Gault promptly presented a petition to Hon. H. G. Carroll that he would

veto it, in behalf of the Opposition. His Honour promised to take the matter into consideration but sanctioned the Act Dec. 17, notwithstanding. This step definitely brought to an end the Conservative scheme of re-fighting the General Election and whatever the merits of the means employed by the Government, there was nothing in the nature of a popular outcry, such as the attitude of the Opposition might have led one to expect.

One of the most interesting and also one of the most important Debates of the entire Session was that on the St. Lawrence Waterway project, arising out of the following Motion by Hon. Athanase David: "That this House learns through the newspapers that negotiations are under way between the Government of Canada and that of the United States for the deepening of the St. Lawrence, the internationalization of part of its course and the development of electric energy.

"That this House, while it regrets that it was not invited to take part in these negotiations, expresses the opinion that the project is untimely, that its enormous cost would be a burden to Canada, already heavily taxed, and that before developing international hydraulic power which would be beneficial to the United States, it is preferable to improve that which is purely Canadian.

"That this House, moreover, is of opinion that it would be a mistake to allow the United States Government to develop, with its own capital, purely Canadian natural resources."

Such was the Resolution moved by the Provincial Secretary Nov. 25, and supported by him with a brilliant study of the entire problem, whatever view may be taken of his position. Brig.-Gen. Smart, while personally critical of the project, saw in Mr. David's Motion a political trick to embarrass the Federal Government and declared that he would refrain from voting one way or the other. Mr. Duplessis and other Opposition speakers, while careful to avoid endorsation of the Waterway, did not think the House ought to take cognizance of newspaper gossip, expressed confidence that Quebec would not be ignored at the proper time, and foresaw danger in intervention in a matter of Federal jurisdiction. Mr. Taschereau and other Ministers vigorously upheld their colleague. Feeling was also embittered by publication of the startling suggestion made by the Chamber of Commerce of Rome, N.Y., that the Alaskan Panhandle be exchanged for part of the Province of Quebec so as to bring the St. Lawrence within the boundaries of the United States. Aimé Guertin, Conservative Member for Hull, striking a line of his own, supported the David Motion, but warned the Government that power should be developed for the people, not for the trusts. On Dec. 16, Jean Paul Sauvé, on behalf of the Opposition, moved an Amendment to the effect that the Resolution under discussion was both inopportune and premature. And although debate continued, it was at this point that matters stood when the Legislature adjourned on Dec. 23, until Jan. 11, for the Christmas Recess.

When the Assembly re-convened in the New Year, no time was lost in taking up the thread of debate upon the Waterway Motion of Hon. Athanase David, where it had been dropped in December. And on Jan. 14, 1932, after the Opposition Amendment had been defeated, this was carried in a division, 54 in favour of it and 7 against; Messrs. Gault and Lafleur voting with the Government against their own colleagues. Matters were not destined to end here, however, for a week later, following the release to the Press by Mr. Taschereau of the correspondence that had been exchanged between Ottawa and Quebec anent the St. Lawrence, Jean Paul Sauvé placed a Resolution upon the Order Paper expressing regret that the Prime Minister had failed to communicate this important correspondence to the House at the time of the previous Debate and inviting the Government to refrain from concluding any engagements with regard to the seaway, until these should be approved by the Legislature. A second warm discussion ensued in which the Member for Two Mountains was scathingly rebuked by Mr. Taschereau and a Government Amendment was triumphantly passed, endorsing the conduct of the Prime Minister and censuring that of Mr. Sauvé.

The taxation proposals, the Charity tax on amusements, the Hospital tax on meals and the Unemployment tax on liquor, which had not been included

in the Budget, were embodied in a number of separate Bills. The first named of these three which had formerly been 5 per cent. on the price of amusement tickets, was raised to 10 per cent. The second tax had been 5 per cent. on meals of a dollar and over but was now raised to 10 per cent. on meals over 35 cents. The third tax was a new one and applied to spirituous liquors only. For 13 ounce bottles and under, 5 cents was added to the sales price; 14 to 26 ounces, 10 cents was added to the price; and 26 ounces and over, 15 cents was added to the price. The Gasoline tax, for the upkeep of the highways, was raised from 5 cents to 6 cents per gallon. The Security Transfer Act was amended so as to impose a tax of 2 cents per share, and also the Corporation Act; taxation in this case being at the rate of 1½ per cent. The Railroad tax was fixed at $60 per mile to bring it into line with the assessment in Ontario and Amendments were made in the Alcoholic Liquor Possession and Transportation Act. The fine for violations of this Statute had been somewhat severe and it was found that offenders, in almost every instance, preferred the prison term with the result that the Province not only got no revenue but was put to expense for their keep. Accordingly, the fine was reduced from $1,000 to $200 and not more than $2,000, so as to give the Judge discretionary powers, and the prison terms were made rather longer. Members to the Left of the Speaker sought for information and voiced certain criticisms but offered no very strenuous opposition to these measures, such as marked the passage of Amendments to the Elections Act, the main provisions of which included the elimination of election agents, of ballot stubs and of annulment for irregularities, unless these were held by a Judge to have materially affected the result of the voting.

The larger municipalities of the Province being practically annual visitors to the Legislature to secure Amendments to their several charters, therefore, Montreal and Quebec occupied much of the attention of the legislators at this Session. The Montreal Bill was a lengthy one and covered a variety of subjects; among them the conduct of municipal elections, borrowings, expropriations and annexations and important public works, such as tunnels and sewers. These were subjected to close scrutiny and modified or rejected in particular instances. A feud between Mayor Houde and Fernand Dufresne, Chief of Police Services, arising out of an unauthorized statement given to the Press by the latter and consequent charges of insubordination by the former, led to the passage of a special law providing that charges against heads of administrative services by the municipalities employing them must be examined and passed on by a Judge before such officers can be dismissed. Naturally, with municipal elections only some two months away in Montreal, both sides were manoeuvring for position, and this helps to explain the solicitude of the Legislature for municipal servants. From the beginning of the period here under review, the Ancient Capital had been in the throes of a bitter struggle with the Quebec Power Company, as explained earlier in this Section, to have its rates for light and power brought down to the level of those charged by municipalities in Ontario under the *régime* of the Hydro-Electric Commission; this notwithstanding the fact of a ten-year contract, in which the rates had been definitely fixed and which had still several years to run; notwithstanding also two successive reductions made by the Company. Public opinion had been brought to such a pitch that the municipalization of light and power became an extremely live issue in view of approaching municipal elections. The City administration shrewdly swam with the tide, while the Company felt the need of protecting its interests in anticipation of possible developments: accordingly, both sides were before the Legislature with Bills. Quebec's charter had, at one time, authorized it to undertake the municipalization of electric lighting and of power, but in some way this latter faculty disappeared therefrom and the City administration wished to have it restored. As for the Company, the distribution of electric energy—although probably the most remunerative department—did not form its entire operating field, and it was felt that the City should not take the cream of the enterprise and leave the shareholders with the skimmed milk; hence the application of the Company to have its charter amended so that if the municipality wished to expropriate at

any time, it would have to take over the whole enterprise and not merely one or two departments. Legal talent was to the fore on both sides; the City meeting the Company's retainer of Hon. Lucien Cannon by confiding its case to Hon. Ernest Lapointe. After prolonged and extremely able argument by counsel, the Private Bills Committee finally decided to maintain the *status quo* by rejecting both Bills, on the promise of Mr. Taschereau to have the Quebec situation referred to the Public Service Commission for investigation within the year, and in view of the City's own admission that it had no intention of municipalizing but wished to have the power to do so as a weapon in bargaining with the Company.

Their annual assault was made upon the Legislature by the feminists and this time they scored at least one success; gaining the municipal franchise for women at Montreal, although not soon enough to have them put on the lists to vote in the approaching elections. On the other hand, the Provincial franchise was still denied to them, this measure being soundly defeated on Jan. 20, 1932, in the usual non-partisan division, 52 against and 23 for; incidentally, the women who thronged the galleries were most indignant at a rather plain-spoken speech against the suffrage, delivered by Arthur Belanger, Liberal Member for Levis. Next to the Debates upon the Dillon Bill and the waterway Motion, the one that roused the Members of the Assembly to the highest pitch of feeling was that brought on by a measure introduced by Peter Bercovitch, following a persistent and incendiary anti-Jewish campaign on the part of a few weekly newspapers in Montreal. Where a whole nationality was libelled in this way, the Member for St. Louis would have any member of it empowered to proceed against the offenders by way of an injunction. Supported by Joseph Cohen and Dr. Anatole Plante, who controlled a large Jewish vote in his constituency of Mercier, Mr. Bercovitch put up an eloquent and moving fight for his own people; but, although all those who spoke joined in deploring this unworthy propaganda, it was the general concensus of opinion that the existing laws were sufficient to protect the rights of minorities, and with but few dissenting voices an Amendment was carried that referred the whole question to a special House Committee. This was a tactful way of killing the Bill, as all committees are automatically dissolved at Prorogation, which was then but a few days distant, and Messrs. Bercovitch and Cohen had to be content with a moral victory.

An extremely important Government measure was that providing for the creation of a Municipal Commission which should supervise all loans issued by municipalities, school commissions and parishes, and which should direct the affairs of any of these bodies, in the event of their being in default. As originally planned, the scope of the measure embraced all municipalities in the Province, without exception, but Mayor Houde and Mayor Lavigueur appeared before the Private Bills Committee of the Assembly to oppose this placing of their cities in tutelage, invoking the principle of municipal autonomy. It was perhaps Mr. Houde's last Parliamentary appearance and, employing all his distinctive talent, he fought so powerfully that he prevailed upon the Government and Montreal was excluded from the Bill. Lieut.-Col. H. E. Lavigueur, although no less aggressive, was less successful and Quebec stayed in, despite his protests. Another noteworthy Government Bill, intended to assist the back-to-the-land movement, authorized the Administration to buy farm lands that were on sale, or might be placed on sale, for taxes. Once again, the Bill to require horse-drawn vehicles to carry lights on country roads was introduced but, although finding many supporters, was killed anew by the rural Members, acting under the pressure of feeling in their several constituencies. Strenuous, but ineffective exception was taken by the Boards of Trade and other business organizations of the Province to a Bill of Mr. Arcand, exempting from seizure the wages of persons engaged in the execution of works for unemployment relief. So expeditiously and so quietly did this Bill pass all stages in both Houses, that the opposition to it was taken by surprise and did not get fully mobilized until it was too late.

On Feb. 19, 1932, His Honour the Lieutenant-Governor prorogued the Legislature, after duly sanctioning 129 Bills. He had previously sanctioned other Bills, as follows: Nov. 26, 1931, 1 Bill; Dec. 3, 4 Bills; Dec. 17, 19 Bills;

and Dec. 22, 5 Bills. This made a grand total of 158 new laws to be placed on the Statute books.

The Budget Speech. As Treasurer of the Province, on Nov. 26, 1931, Hon. L. A. Taschereau delivered his second Budget Speech inside of twelve months, the first having been made in the Assembly the previous January. After an unexpectedly protracted period of general depression, this latest effort was marked by circumstances of peculiar difficulty to which Mr. Taschereau referred in his opening statement that "A lot one must not envy in this time of stress we are living in, is that of Treasurer of a country or a province." At the same time, however, he emphasized that Quebec was still carrying on, balancing her Budget and declaring surpluses. Two baffling problems, Mr. Taschereau pointed out, confronted the Treasurer: "On one side, he must provide for the economic development of the Province and meet the heavy expenditures caused by the necessity of relieving unemployment, also proceeding with the important public works already begun. And, on the other side, he must take heed of the advice of those who refuse to contribute even a mite more to make both ends of the Budget meet. People sometimes seem to think that a Government's resources cannot be exhausted; that it must comply with every apparently legitimate demand; but, on the other hand, it is trumpeted forth that the taxpayer must see his burden lightened and a minimum of taxes laid upon his shoulders."

The actual results of the financial operations of the Government for the fiscal year, 1930-31, were summarized by the Treasurer, as follows: Ordinary Receipts, other than Capital, Trust Funds, Deposits, etc., $41,630,620. Ordinary Expenditures, other than Capital, Trust Funds, Deposits, etc., $40,853,844. This left an excess of Ordinary Receipts over Expenditures amounting to $776,776, to which was added Capital and other Receipts that totalled $20,392,128, or $21,168,904 in all. As the Capital and other Expenditures were $21,517,000, there was a deficit of $348,096 to be deducted from Cash in Banks at June 30, 1930, which amounted to $2,834,145; leaving $2,486,049. This last figure was increased by $587,998, representing the increase in the value of Warrants authorized but unpaid at June 30, 1931, from the same date in 1930, and the two amounts made up the $3,074,047 of Cash in Banks at June 30, 1931.

Revenue from the various sources represented the following percentages: Dominion Subsidy, 5.10; Alcoholic Liquor Act (Trade Account), 18.50; Lands and Forests, 11.64; Motor Vehicle Act, 13.00; Gasoline Duty and Fees, 10.58; Succession Duties, 16.04; Corporation Taxes, 8.23; Licences, Hotels, Shops, etc., 5.10; and other Ordinary Revenue, 11.81. The following were the percentages of Expenditure: Education, 10.74; Roads and Mines, 28.23; Public Works and Labour, 7.37; Agriculture, 8.38; Lands and Forests, 6.39; Colonization, 6.44; Administration of Justice, 5.03; Civil Government, 5.46; Interest and Sinking Fund, 10.77; and other ordinary expenditure, 11.19.

A statement of Assets and Liabilities showing the financial position of the Province at June 30, 1931, with no valuation placed upon natural resources, such as forests, lands, water powers, etc., produced an accumulated Surplus of $18,607,267. Incidentally, the books and accounts of the Government were audited for the first time by the firm of Price, Waterhouse and Company, which affixed their certificate to the various statements. Estimates for 1932-33 were as follows: Ordinary Revenue, $39,575,252; Ordinary Expenditure, $39,387,962; Surplus, $187,290. The Net Funded Debt stood at $60,418,037, an increase of $6,395,511 during the twelve-month period, represented by the sale on Apr. 30, 1931, of $7,500,000, 4¼ per cent. thirty-year bonds, less accretions to Sinking Funds. This issue was acclaimed by financial writers as creating "the lowest cost for long-term financing of any Government, Provincial or Federal, since 1928."

In his concluding remarks, Mr. Taschereau defined the main problem of the Province as being to escape from the difficulties resulting from a lack of balance "between our powers of production and our capacity for consump-

tion and ability to export," and intimated that salvation must be assisted from within. The success of Agriculture and other industries was noted, even pulp and paper operating at 48 per cent. of capacity, comparing favourably with Steel in the United States at only 30 per cent. On this basis, optimism and economy were stoutly preached.

Provincial Secretary and Registrar. Hon. Athanase David, in his Report for the year 1930-31, stated that the revenue produced by fees paid to his Department during that period attained to the sum of $119,698. Letters Patent were issued to 906 corporations, whose total capital aggregated $71,416,137. There were also granted 95 Supplementary Letters Patent, to increase or diminsh the capital, to change the name or to give additional powers to various companies. In all, more than 1,500 companies forwarded their annual reports; while 14 foreign corporations were licensed to carry on business in the Province.

While recommending that the school corporations practise the strictest economy, every effort was exerted by the Minister to help them as generously as possible in the construction of school houses or of repairs to them. Grants made for this purpose totalled $670,165, divided as follows: $80,000 to new boys' academies; $282,090 to elementary schools; and $308,075 to smaller rural schools. A new maximum of attendance was reached by the Polytechnic School, registrations for the year totalling 216. Registrations at the School for Higher Commercial Studies totalled 1,112. A very appreciable increase in the number of pupils at the several Technical Schools was noted, more than 6,000 having registered in one or other of them.

The Provincial Archivist, Pierre Georges Roy, during the year continued to inventory the official reports of the celebrated Commissioners or Trustees of roads and published a fifth volume of them. He also published, as a part of the collection of the Archives, a volume entitled *Papier Terrier de la Compagnie des Indes Occidentales (1667-1668)*. The last is the first note-book of the *Actes de Foi et Hommages sous le Régime Français*. This old manuscript was threatened with ruin and as it was one of the most important in the Archives Office, its publication would help to save it and would, at the same time, permit of its being consulted thereafter much more frequently. The Report of the Archivist included specimens of high value, the lengthy correspondence of the Intendant Talon being worthy of special mention. In order to have the complete text, the originals, as preserved in the various Departments of the Archives in France, were photographed and reproduced word for word. The death of Hon. Louis Adelard Turgeon, its former President, interrupted the work of the Historical Monuments Commission, but R. A. Benoit, Clerk of the Legislative Council, was named to succeed him, and it was expected that, under his direction, the Commission would continue to be of benefit to the Province.

The Director of the Provincial Bureau of Health, Dr. Alphonse Lessard, reported that the work accomplished during the year consisted largely in the continuation and development of previous efforts. While these could not safely be relaxed, it was stated, on the authority of foreign observers, that Quebec possessed a public health system which would bear comparisons with that of any other Canadian Province or of any State in the American Union. There were, in 1930-31, 25 County Health Units serving 31 counties, and had it not been for the financial crisis, which led County Councils to exercise particular caution in the imposition of new taxes upon municipalities, it was certain that considerably more than 3 new Units would have been organized during the year. Under the Grancher system of Family Placements to remove children exposed to tuberculosis from infected homes, over 300 children had been placed in rural districts. Notwithstanding the fact that the number of beds for the tubercular in *sanatoria* and hospitals had been increased from 400 six years before to 1,725, Dr. Lessard bitterly deplored, in his Report, the fact that in certain sections of the Province there was lack of recognition of the necessity of hospitalization to combat tuberculosis.

Colonization, Game and Fisheries. Hon. Hector LaFerté, as Minister, transmitted to the Lieutenant-Governor the reports of the different services in his Department. During the year 1930-31 grants totalling $1,413,-174 were distributed among the various Counties of the Province, as follows: Ordinary Grants, $1,334,036; Establishment of Unemployed Labour, $75,138; and Colonization Societies, $4,000. To these amounts another $98,745 was added by local contributions and the whole went to defray the cost of opening 121.04 miles of winter roads; completing 219.80 miles of road for vehicular traffic; repairing 1,549.16 miles of road; and building 21,292 feet of bridges and culverts.

J. E. Garon, Superintendent of Colonization Lands, reported that during the year 1931-32, 2,067 lots were sold for colonization purposes, covering an area of 197,086 acres. Letters patent were issued for 548 lots and cancellations were made annulling the sale of 998 others. The receipts from these sales amounted to $57,719.75. At the end of the period, on the non-patented lots visited by inspectors, there were 277,218 acres of ploughed land and 165,303 acres of cleared and sown land. "A comparison of these figures with those of past years," stated Mr. Garon, "shows that colonization is making marked progress. This increase in ploughing and clearing is certainly to be attributed largely to the present crisis. As a matter of fact, settlers who in the past spent half their time, if not more, working in lumber camps, are now obliged, owing to lack of work, to cultivate their lots."

J. A. Belleisle, Superintendent of the Fish and Game Service, reported that, in spite of the general depression in business, receipts in general showed an increase over those of the previous year; while the number of fur-bearing animals captured and placed on the market showed an increase of 33 per cent., although the number of fur-trading permits had greatly diminished. There were fewer hunters but more fishermen. Receipts of the Branch, from all sources, totalled $418,814. Skins to the number of 367,148, taken from all varieties of fur-bearing animals and stamped by officers of the Department, had a total value of $1,418,007, and produced royalties totalling $71,174. In certain municipalities, 1,725 bears were killed on which bonuses to the amount of $25,875 were paid. In the same way, $6,485 was paid in bonuses on 322 wolves. F. M. Gibaut, Superintendent of Maritime Fisheries, reported that the total catch of fish of all kinds caught in the Province in 1930 amounted to 772,266 cwt.; for which the fishermen received $2,199,274; this, as compared with 870,682 cwt. and receipts of $2,467,268 in the previous year.

Department of Lands and Forests. The Report of this Department for the period under review was submitted by Hon. Honoré Mercier, as Minister. The area of lands subdivided into lots and available, as at June 30, 1931, was 8,463,816 acres. Since that date, 64,135 acres were subdivided and 116,325 acres reverted to the Crown, through cancellation or retransfer of sales; the whole making a total of 8,644,276 acres, out of which 200,386 acres were granted for agricultural and industrial purposes. The sale of village lots and the administration of the Jesuits' Estates and of the Seignory of Lauzon produced $16,255; while the revenues from the sale or lease of beach lots and water powers amounted to $504,566. For the utilization of water coming from the various Provincial reservoirs, the sum of $662,905 was collected in annual fees and rentals. Exploitation of the woods and forests gave a total revenue of $3,872,414. Miscellaneous receipts brought the grand total from all sources up to $5,087,729. G. C. Piché, Chief of the Forest Service, stated that "in the twelve months we experienced a general depression in the world's business situation. Forest industries suffered especially, for, when business is endangered, building ceases and also newspaper advertising. It is not astonishing, then, that the quantity of wood cut on timber limits was a third less than in 1929-30. Uneasiness continues, for the depression is not over and the lumber-yards are encumbered with wood unsold and not shipped, while around pulp and paper mills are heaps of logs not yet utilized, on account of the slackening in their disposal: necessarily, the cuttings in 1931-32 will not be so high. . . . We must prepare for con-

tingencies, not to be caught again with an over-production of paper, of unsold lumber, with mills working half-capacity, with an exploitation no longer profitable. Our manufacturers, therefore, must seek to find new products, as also the utilization of all by-products that could lower the cost of lumber or of paper. New outlets must also be found, so as not to be left to the mercy of the single market we have at present, which is liable, as we have seen, to reduce its purchases or to be closed entirely."

At June 30, 1931, 80,779 square miles were under licence for forest exploitation, of which the pulp and paper companies controlled 83 per cent. During the year, the cutting on timber limits was reduced about one-third, as already stated. The total cut was only 800,222,505 f.b.m. of green timber and 42,724,610 f.b.m. of burnt timber. Owing to this reduction in the volume of operations, only 26,119 men were employed; there was a reduction also in the number of horses, being 9,472, and in the number of camps, which was 2,052. From the inventories started in 1923, there was provided, in 1931, exact information on 52,661 square miles in the Province, which hold a stock of 174,293,430 cords of soft woods and 33,839,664 cords of hard woods. Up to the beginning of the year, 97 township reserves had been organized, with a total area of 684,868 acres, or 1,070 square miles. During the year, 11 additional township reserves were organized. Only 75,668 lumber shipment permits were issued, 711,184 cords of pulpwood being shipped, likewise 302,039,902 f.b.m. of lumber, 964,491 ties and 88,029,835 shingles. From the Berthier Nursery there were shipped 3,843,405 plants, of which 47,862 were for embellishment purposes and the balance for re-forestation. The expenditures of the Forest Protection Service totalled $628,200; while the cost of extinguishing fires during the season of 1930 was $31,865, of which $6,236 was paid by limit-holders and the remainder by the Government. During the year there were granted 7 water power concessions. The year's receipts from the development of water power totalled $1,167,471. Quebec maintained her leadership in this field: the total capacity of hydro-electric plants erected in the Province on Jan. 1, 1931, amounted to 2,718,130 h.p., which is equivalent to 994 h.p. per 1,000 of population. In the course of the year 1930-31, the capacity of these stations was increased by about 123,000 h.p.

Department of Agriculture. The Report of this Department for the year under review was the first to bear the signature of Hon. Adelard Godbout, as Minister thereof, and was divided to cover separately the activities of the various Branches. A detailed account of the varied work performed by his staff was given by Narcisse Savoie, Head of the Service of Agronomes, or Farm Experts, which it is impossible to outline comprehensively in a brief summary. The work included the giving of lectures and demonstrations; the visiting of farms; the distribution of circulars, pamphlets and letters; the supervision of societies, clubs, Demonstration farms and fields; the promotion of breeding organizations and competitions in field husbandry and horticulture; and the holding of short courses in agriculture in the various districts. Stock raising in the Province was rapidly progressing and an event of capital importance to improved breeding, during the fiscal year, was the publication of *formulae* for balanced rations for various kinds of farm animals; these were mixtures of concentrates prepared by the Provincial Feed Board, after long consideration. Tuberculinization of cattle, according to the free area system, was continued with the co-operation of the Federal and Provincial Departments of Agriculture; 25 Counties, by 1931, were enjoying this privilege, although some of them only in part. Tuberculosis was not the only disease threatening Quebec herds; there were half-a-dozen others, all closely watched by the Live Stock Service. At June 30, 1931, there were 1,388 dairy factories in operation in the Province, divided as follows: 661 butter, 411 cheese, 272 combined butter and cheese, and 44 skimming posts. During the season of 1930, according to preliminary reports of the Provincial Bureau of Statistics, 62,146,851 pounds of butter were made, as against 53,489,879 pounds in 1929. Of cheese, there was made 33,874,035 pounds in 1930, as against 35,157,871 pounds in 1929. The price paid for lambs was lower than in the previous year, due to the surplus production of large sheep-

breeding countries being sold, and Quebec, like the other Provinces, supplied fewer lambs to the large markets in 1930 than in 1929, although more were raised that year. The farmers preferred to keep their ewes for breeding, rather than sell them at a low price. Lamb shows were held at various points, in which over 30,000 lambs were sold. In 1930, Quebec was the only Province to increase its pork production; the prices paid for hogs for market being very good, compared with those for other animals, which meant good profits for the pork raisers of the Province. Breeding Clubs organized numbered 44, with 1,077 competitors, and members sold 5,852 hogs. During the year the Rural Construction Section supervised 290 constructions of various kinds, representing, approximately, $420,000 and sent out 31,912 plans and copies. Grants were made to the amount of $10,625 for the erection of 425 manure sheds with a total capacity of 25,000 tons. During the year the area of the commercial apple-orchards of the Province, under Horticultural Service, was increased by about 700 acres. In a general way, the growth of the trees was vigorous and the crop good. The quantity and quality to meet demands were practically reached in 1930-31, the extent of the plantations being sufficient to meet the requirements of the home market in the near future. The year was good, on the whole, for the production of farm truck, but the sale and prices dropped to the lowest minimum in many years. Special mention was made in the Agricultural Report of Gaspé peas, the 1930 output of which amounted to more than 40,000 pounds. In spite of the financial depression, confidence was expressed that the canning industry would continue to advance gradually; while increasing the farmer's profits, it would reduce canned imports into the Province to the strict minimum in the near future. The depression was said to have caused such a fall in prices that it momentarily paralyzed operations in some canneries of a small output; however, they all decided to re-open, as they counted on a slight rise during the following Autumn. On the other hand, no new canneries were opened, as in former years, although some factories with a large output increased their daily capacity, even doubling it in certain cases. Subsidies, totalling $78,059, were distributed during the year among 38 factories out of a total of 59, having an invested capital of $4,182,313, and paying out $505,904 in wages.

Oscar Lessard, Secretary of the Council of Agriculture, reported 92 agricultural societies with 22,141 members and total subscriptions amounting to $45,991 for the year; also 713 farmers' clubs with 39,546 members and total subscriptions of $45,601. During the year, the Department lent $96,998 to these societies and clubs. As a result of the annual judging, the decoration of Commander of the Order of Agricultural Merit was awarded to Messrs. Adelard Belisle, St. Eustache, Two Mountains; Damase Lafortune, l'Assomption; and Hon. Donat Raymond, Vaudreuil. The Decoration of Officer of the Order was awarded to 49 competitors who won the silver medal and among whom T. B. Macauley, President of the Sun Life Assurance Co., came first. Lastly, some 40 competitors received the decoration of Knight of the Order. A Perseverance contest was opened for the second time to winners of the Agricultural Merit who had previously secured 900 points, the reward being a decoration of the French Republic offered by the Consul-General in Canada. Six farmers took part and the winner was Frederic Poulin of St. Valentin, St. John's County. For the year 1931 the estimated gross value of the agricultural production of the Province was as follows:

Field Crops	$72,801,000	Lands	$546,666,000
Farm Animals	19,509,000	Buildings	285,530,000
Wool	534,000	Implements and Machinery	111,940,000
Dairy Products	69,561,000	Live Stock	88,473,000
Fruit and Vegetables	6,140,000	Poultry	6,657,000
Poultry and Eggs	9,243,000	Animals on Fur Farms	3,000,000
Fur Farming	875,000		
Maple Products	1,817,000		
Tobacco	336,000	Total	$1,042,266,000
Clover and Grass Seed	154,000	Agricultural Production	181,457,000
Honey	487,000		
Total	$181,457,000	Total wealth	$1,223,723,000

The Quebec Women's Institutes held their Annual Convention once more at Macdonald College, Ste. Anne de Bellevue, June 15-17, 1932. Proceedings took the nature of a survey of the widely-varied programme of work done throughout the Province to promote better farming, improved health and educational standards, and the beautifying of the community. Resolutions adopted by the Convention favoured compulsory school attendance, the study of mental hygiene by the various branches of the organization, the fostering of a greater appreciation of rural life, and the inclusion of domestic science in the school curriculum.

Department of Education. Losses by death were again recorded with regret by Hon. Cyrille Delâge, Superintendent, in his Annual Report, both Committees of the Council of Education having suffered in this respect. The Catholic Committee sustained the loss of His Eminence Cardinal Rouleau, while the Protestant Committee saw its numbers reduced by the deaths, in December, 1930, of E. G. Pierce and in June, 1931, of W. M. Rowatt. At the end of 1931 there were 1,643 school municipalities in the Province under the control of 1,832 school corporations, divided as follows: 1,446 corporations of Catholic Commissioners, 44 of Catholic Trustees, 197 of Protestant Commissioners, and 145 of Protestant Trustees; or a total of 1,490 Catholic and 342 Protestant corporations. There were built or repaired 533 Catholic schools at an expenditure of $4,454,680, and 130 Protestant schools at an expenditure of $1,038,207. In all there were 7,582 Catholic schools staffed by 5,972 male and 15,491 female teachers and attended by 279,363 boys and 273,234 girls, or a total of 552,597 pupils; the percentage of average attendance being 81.89. On the Protestant side there were 738 schools staffed by 911 male and 2,409 female teachers and attended by 42,694 boys and 39,466 girls, or a total of 82,160 pupils; the percentage of average attendance being 78.37. The total contribution of the Government to these schools was $34,562,530, while that by the municipalities and independent institutions was $28,656,367.

McGill University, Montreal. Depressed conditions appeared to have had no material effect upon the attendance at McGill University during the year 1931-32 as there were enrolled at that institution 2,096 men and 901 women undergraduates, making a combined total of 2,997, which was only 27 less than that of the previous year. The Faculty of Arts and Science had easily the largest following, 1,066 students; Medicine being second with 470; Engineering, third with 343; and Graduate Studies, fourth with 272 undergraduates enrolled. The staff changes, which were numerous and in some instances, of major importance, included the following appointments: H. S. Birkett, C.B., M.D., LL.D., *Emeritus* Professor of Oto-Laryngology; Howard Brown, M.SC., M.ENG., Dean of the Faculty of Engineering; E. Hamilton White, B.A., M.D., Professor of Oto-Laryngology; W. Bentley, C.G.A., Comptroller; W. H. Watson, M.A., PH.D., Assistant Professor of Physics; J. B. Phillips, M.SC., Assistant Professor of Chemistry; R. F. Smit, B.S., M.S., PH.D., Assistant Professor of Plant Pathology; R. E. Jamieson, M.SC., Professor of Civil Engineering; R. L. Conklin, D.V.M., M.SC., Professor of Animal Pathology; G. J. Dodd, M.SC., Associate Professor of Civil Engineering; H. B. Fantham, M.A., D.SC., Professor of Zoology and Head of the Department; F. V. M. Cameron, B.SC., M.A., PH.D., D.SC., M.R.C.V.S., Research Professor of Animal Parisitology; Arthur Willey, M.A., D.SC., F.R.C.S., F.R.S., *Emeritus* Professor of Zoology; Herbert Tate, B.SC., M.A., Associate Professor of Mathematics. Several Governors were appointed during the year: Thomas Bassett Macauley, LL.D., Julian C. Smith, LL.D., F. N. Southam, Walter M. Stewart, Hon. Smeaton White (Senator), V. A. Black and George S. Currie, B.A. The resignations announced were: H. S. Birkett, C.B., M.D., LL.D., as Professor of Oto-Laryngology; Carleton Stanley, M.A., Professor of Greek; S. R. Burrell, Comptroller; Hon. Mr. Justice W. L. Bond, B.A., B.C.L. Lecturer in Dental Jurisprudence; A. J. D. Porteous, M.A., Professor of Philosophy; D. Sclater Lewis, M.SC., M.D., Associate Professor of Therapeutics; F. A. C. Scrimger, V.C., B.A., M.D., Assistant Professor of Surgery; Arthur Willey, M.A., D.S.C., F.R.C.S., F.R.S., Professor of Zoology; Francis MacLennan, B.A., B.C.L., LL.D., K.C., Governor of the University.

Among the year's events of historical interest were: the discontinuance of the School for Social Workers; the completion of the new wing of the Royal Victoria College, used as a women's residence; the commencement of work in the Department of Social Research with the aid of a grant of $110,000 made by the Rockefeller Foundation the previous year, for that purpose; the organization of a new Department, that of Animal Husbandry, in the Faculty of Graduate Studies and Research; the drawing up of new courses for the Master of Civil Law Degree and for that of M.A. in Chinese Studies, which were being offered in the 1932-33 curriculum; the organization of the Institute of Halminthocology at Macdonald College, for the study of animal parasites, and the beginning of work on the building under Government grant; and the receipt of a generous grant from the Rockefeller Foundation for the Department of Neurology and Neuro-Surgery.

The Honorary Degree of "LL.D.," at a special Convocation held on the occasion of the Graduates Quinquennial Reunion, Oct. 14, 1931, was conferred upon Rt. Hon. Richard Bedford Bennett, P.C., M.P., Prime Minister of Canada; Francis W. MacLennan, B.C.L., LL.D.; Hon. Alexander Cameron Rutherford, K.C., B.A., B.C.L., Chancellor of the University of Alberta; and William Harvey Smith, M.D., C.M., *Emeritus* Professor of Opthalmology at the University of Manitoba, and ex-President of the British Medical Association. At the annual Spring Convocation for the conferring of Degrees, the same degree ("LL.D.") was received by John Huston Finley, A.M., LL.D., Associate Editor of *The New York Times*; Major General Robert U. Patterson, M.D., C.M., Surgeon General of the United States Army; John Stanley Plaskett, B.SC., F.R.A.S.C., F.R.S.C., F.R.S., LL.D., Director of the Dominion Astrophysical Observatory, Victoria, B.C.; Horatio Walker, LL.D., the distinguished Canadian artist of Ste. Petronille, Island of Orleans, Quebec; and Alfred North Whitehead, M.A., F.SC., LL.D., Professor of Philosophy at Harvard University. There was an unusually large audience at this latter Convocation when 512 degrees were conferred, all told. Apart from those just mentioned, these include 27 for "M.A.," 16 for "M.Sc.," 17 for "Ph.D.," 7 for "M.Eng.," 1 for "M.Comm.," and 1 for "D.Sc." In the graduating classes were 137 (69 men and 68 women) for "B.A.," 26 for "B.Sc.," 51 for "B.Comm.," 58 for "M.D.," 46 for "B.Eng.," 5 for "B.Arch.," 22 for "B.C.L.," 10 for "Dentistry," 30 for "B.Ag.," 6 for "Household Science," and 13 for "Library Science." At a Little Convocation held previously, 55 diplomas had been conferred.

University of Montreal. The period under review was an uneventful one at this institution, so far as important happenings or staff changes were concerned; the current problems of the University being rather of a financial character, in the solution of which Mr. Taschereau (Prime Minister) showed an active interest. A Special Committee was appointed to study the situation and to make recommendations but at June 30, 1932, its report had not been received. Enrolment for the year totalled 7,763, or more than 400 in excess of 1930-31. The sole bequest received was one of $1,000 from William J. H. Daly (deceased). Honorary Degrees were conferred as follows: His Excellency, Vere Brabazon Ponsonby, Lord Bessborough, Governor-General of Canada, "LL.D.," Feb. 19, 1932: L. N. Burnette, Ottawa, "D.D.Sc.," May 28, 1932; and Sister Sainte-Anne Marie, Montreal, C.N.D., "D.Ped.," May 22, 1932. Her Excellency Countess Bessborough was made Doctor of the University, *honoris causa*, June 24, 1932.

Because of conditions, the Annual Convocation was not marked by the customary public proceedings, but on June 9, 1932, the degree of "M.D." was conferred upon 35 students graduating from the Faculty of Medicine, in the presence of their immediate relatives and friends.

Laval University, Quebec. Attendance at Laval, usually well over 7,000, was fully maintained during 1931-32. Distinguished guests at the Annual Convocation held May 31, 1932, were: Their Excellencies Lord and Lady Bessborough and His Excellency Mgr. J. M. Rodrigue Villeneuve, Archbishop of Quebec. The Honorary Degree of "LL.D." was conferred on Lorne Pierce, Toronto, well-known literary critic. Numerous degrees and diplomas were conferred upon graduating students in the several faculties.

University of Bishop's College, Lennoxville. At Bishop's the enrolment for the year was 148 students, a slight falling-off from 1930-31. No special events or changes were reported. Convocation was held June 16, 1932, when the Honorary Degree of "D.C.L." was conferred as follows: His Excellency the Earl of Bessborough, Governor-General of Canada; The Rt. Hon. R. B. Bennett, Prime Minister of Canada; the Hon. L. Athanase David, Provincial Secretary; Aimé Geoffrion, K.C., B.C.L., Montreal; and the Rev. Canon A. F. Gower-Reese, Rector of St. George's Church, Montreal. Graduating students received the degrees of "B.D.," "M.A." and "B.A." respectively.

The School of Higher Commercial Studies, Montreal. This institution, affiliated with the University of Montreal, had a total enrolment of 1,098, divided between the day courses, 165; the evening courses, 379; and the home study department, 554.

Loyola College, Montreal. There were 120 students at the College during 1931-32, and 240 at the High School, making a total of 360 in all. The Dean of Studies, Father Leo Nelligan was transferred to Regiopolis College, Kingston, Ont., of which he was placed in charge, and Father Eugene Chabot, a Loyola graduate, was appointed to succeed him. The outstanding scholastic achievement of the year was the unprecedented success of Loyola's debaters, who finished the schedule of the Eastern Division of the Inter-University Debating League as sectional champions and who also won the Dominion championship for the second time by a decisive victory over Osgoode Hall, Toronto. The building of the College Chapel was well under way during 1932. The Annual Convocation was held, June 2, 1932, when the degree of "B.A." was conferred upon graduating students and a number of special prizes were awarded.

Public Works and Labour. The total receipts for 1930-31 of this Department from all sources, according to the Report of the Minister, Hon. J. N. Francoeur, were $683,488 and the expenses, $3,012,082. The increase in the number of bridges built numbered 78, with an additional 77 still under construction at the end of the period; the principal of these being the inter-Provincial bridge on the Ottawa River, between Hawkesbury, Ont., and Grenville, P.Q.; the bridge on the Gatineau River, between the City of Hull and the village of Point Gatineau; and the Gaspé Bridge. The new Woman's Prison at Quebec was begun in September, 1930, and plans were studied during the year for the early construction of the new wing of the Legislative Buildings. As at Dec. 30, 1930, there were in the Province, 4,907.22 miles of steam railway and 489.02 miles of electric railway, making a grand total of 5,396.24 miles. The Report of Ernest Lavigne, Fire Commissioner of the Province, showed that 57 municipalities either installed fire protection systems or made improvements to them and so earned grants that ranged all the way from $100 up to $20,000. A number of other municipalities received special premiums of $50 each, to encourage them to maintain the initial efficiency of the systems for which they had already received Government assistance. Losses sustained in 11,704 fires during the year totalled $6,939,609. The principal causes were matches or careless smokers and defective or over-heated stoves, furnaces and boilers. Private residences were the principal class of property to suffer. Louis Guyon, Deputy Minister of Labour, reported 2,896 inspections of buildings and 1,136 accidents, of which, however, only 40 were serious and 12 fatal. Complaints made by workers to the number of 357 were investigated. There were registered 3,025 boys and girls of from 14 to 16 years. At the Provincial Employment Bureaux, 47,216 men and women were registered of whom 17,070 were placed and 22,902 referred to vacant positions. The Report on Industrial Disputes signed by Maxime Morin, Registrar, who succeeded Felix Marois, upon the death of the latter, Mar. 16, 1931, gave the number of employers and workers who desired to settle their disputes by conciliation as increasing daily. There were no serious strikes or lockouts and only four or five minor differences during the year.

Department of Roads. The Report of the Minister, Hon. J. E. Perrault, set out with a review of the year 1931, which said in part: "The work of initial improvement of our highways network is not terminated. In spite of twenty years of effort, there still remain some roads that must be made accessible to the automobile in all weathers. In addition to maintenance and the programme of widening and permanent paving, part of the highways budget must be set apart for the extension of good roads through districts where more are required. Normally, therefore, the importance of the operations of the Department of Roads can only grow year by year. The length of roads maintained by the Department is increasing by from 1,000 to 1,500 miles à year and the maintenance is becoming more exacting every day." A summary of the operations of the year showed that there were maintained directly at the sole cost of the Government 13,412 miles of improved roads, an increase of 12 per cent. over 1930. The Department constructed 138 miles of new permanent paving on roads already improved and carried out preliminary work on a total length of 94 miles. The elimination of sharp turns and dangerous curves, as well as divers other ameliorations, showed a tremendous advance during the year. In concert with the municipalities, 1,172 miles of new roads were improved. There were eliminated 12 very dangerous road crossings, thus bringing the total in three years up to 41. The length of road maintained during the previous Winter for automobile traffic was more than double that of twelve months before. An inventory of the roads of the Province made as at Jan. 31, 1931, gave the following figures: total length of rural roads, 34,591 miles; total length of permanently improved roads, 13,918 miles; and length of improved earth roads, 28,673 miles. Under the heading of embellishment, there were planted along the various routes 1,819 trees, mainly maple and poplar, by the Department, and 11,809 trees, by the ratepayers; a total of 13,628 trees. For whitewashing houses, barns and outbuildings along the highways, 664,019 pounds of lime was distributed to the counties. A traffic census taken during the month of August showed that in that period 433,586 cars had entered the Province, of which number 30,669 were from the United States and 277,832 from other Provinces. During the same period, 433,294 cars left the Province, of which 25,560 were from the United States and 272,955 from other Provinces. The remaining cars in both instances were licensed in Quebec.

Bureau of Mines. The Report of Hon. J. E. Perrault for the first time, was in two volumes and four main sections: Part A treated of the leading features of the industry in the Province, while Parts B, C and D, respectively, contained the results of the geological field work, accompanied by maps of certain regions which were of special interest to prospectors. Mineral production, which had shown a constantly progressive value for seven years, attaining a total of $46,434,820 for the calendar year, 1929, suffered an appreciable decrease in 1930. The total value for the latter year reached only $41,158,740. In the first six months of 1931 it was the non-metallic mines, particularly the asbestos mines, which were the most adversely effected by the world-wide economic depression; their value being little more than one-half that of the corresponding period in the previous year which, itself, had been very substantially below that of the first half of 1929. Metals and building materials only sustained a comparatively small reduction. The exact figures are as follows: metals, $7,770,972; non-metals, $4,993,998; or a grand total of $12,764,970. There was a very active interest taken in the question of the possible occurrence of commercial quantities of natural gas in the lowland region of the St. Lawrence Valley, between Quebec and Montreal. Several companies started prospecting work on a large scale. The copper refinery of the Canadian Copper Refiners, Ltd., at Montreal East, started operating on Feb. 1, 1931. The official inauguration of the plant by Hon. J. E. Perrault took place June 25. This refinery, with an output capacity of 75,000 tons of refined metal per year, was receiving the blister copper and the raw copper from Noranda and other copper smelting centres. The Province, thus possessing a complete copper producing industry from the mine to the refinery, was putting on the world market a high grade product in the form of pure

copper metal bars. Over 10,000 titles of various kinds were issued by the Department which had a revenue from all sources of $581,747. During the fiscal year, the Bureau continued to hold classes for prospectors, to teach them, by means of lectures and practical demonstrations, the elements of minerology and geology, so that they might prospect for mineral deposits intelligently. Courses of lectures were given at some twenty centres, the attendance varying from 22 to 350. For many years also, the Bureau had been devoting its attention to the prevention of accidents in mines and quarries. To encourage miners to pay special attention to "Safety First" and "Life-Saving" measures, the Minister had instituted the granting of Government Certificates of competency to workmen who successfully followed the prescribed course of lectures. Extended reference was made in this Report to the lack of uniformity and standardization that prevailed in the asbestos mining industry, due to mutual distrust between operators and the exigencies of foreign buyers of fibre. As long as Quebec controlled 85 per cent. of the world's output, this condition did not seriously affect the economic position of the industry but for several years, it was stated, conditions had greatly altered and Quebec asbestos was facing, in 1930-31, powerful and well-organized competition, such as the groupings of asbestos producers in South Africa and the Russian ventures of the "five-year plan," which constituted a real menace for the future of the industry in the Province. Accordingly, in January, 1931, the Minister invited all the asbestos operators of Quebec to form a Committee to give serious study to the question of establishing a uniform standard classification to designate and name, or mark, each quality of fibre produced from Quebec mines. After eight long meetings a project of classification was finally submitted to Hon. Mr. Perrault by the Committee on May 5, 1931. In accordance with the policy adopted in 1925, the Bureau continued to grant subsidies for the opening and construction of roads connecting promising mineralized areas, or mining properties, with public roads and highways. During the fiscal year, the sum of $184,532 was devoted to this end.

Municipal Affairs. The Report of this Department was presented by the Minister, Hon. L. A. Taschereau. On Oct. 23, 1930, by Order-in-Council, the Provincial Bureau of Statistics, which had been hitherto under the control of the Provincial Secretary, was transferred to that of the Minister of Municipal Affairs. During the year 1930-31 the Department also had to see to the carrying out of the Unemployed Assistance Act, particularly in order to supervise the procedure required from municipalities, with regard to the latters' share of the expenditure made. Ordinary municipal loans, exclusive of those made under the Act just mentioned, amounted to $61,824,116, an increase of $19,194,845 over the previous year. On account of unemployment the municipalities borrowed an aggregate sum, in addition, of $3,141,656; making a grand total of $64,965,772. School loans, which amounted to $2,438,073, showed a decrease of $863,692. Further, the Department thought well to refuse loans asked for by municipal councils to the amount of $365,000. In all, there were 211 ordinary loan by-laws, 251 by-laws or resolutions covering assistance for the unemployed, 79 school resolutions, and 190 municipal loan by-laws disallowed. There were 5 rural and 2 village municipalities erected during the period, also 5 annexations and 3 changes of name. There were filled 6 vacancies in the office of Mayor and 29 in that of Councillor. Permission to publish official notices in one language only was granted to 9 municipalities.

Social Insurance Commission. The First and Second Reports of this body were bound together; the one dated Dec. 29, 1930, and the other, January, 1932. The First Report dealt only with a single point, that of occupational illnesses, requesting the Government to have incorporated in the new Workman's Compensation Act special provision to cover the risk in this connection. The Second Report covered some fifty closely-printed pages and dealt exhaustively with the problem of Charity in a number of its main phases. There were, for instance, 15 different recommendations with respect

to Child Protection; the chief of which were the creation of a Central Provincial Bureau and the formation of Societies for Child Protection in cities of more than 25,000 population. The related questions of Tutorship and Adoption were examined with equal care, and the Report considering charity to needy mothers recommended the institution of some Government system. Those receiving charity were divided into classes and the needs of each duly considered. Further sections were devoted respectively to Conditions of Obtaining Aid, Administrative Organization, Finances; Works of Charity, in Institutions, in the Home and through Family Placements; the Public Charities Act and Old Age Pensions, concerning which last the Committee postponed making any recommendations.

Quebec Liquor Commission. L. B. Cordeau, President of the Commission, reported that during the period of 1930-31, sales showed a marked decrease resulting from the depression. The sale of spirits fell from 996,394 to 865,858 gal., or 13 per cent. The wine sales were also considerably lower, falling off from 1,620,000 to 1,351,000 gal., or 16.6 per cent. The gross sales amounted to $22,711,640 and the net revenue therefrom to $6,689,509; the total revenue from all sources being $8,262,188. There was either turned over to the Government or else expended on capital account a total sum of $9,155,993, or more than ten per cent. in excess of the revenue just mentioned. At Apr. 30, 1931, there were 111 Commission stores in operation through the Province—86 in the District of Montreal and 25 in the Quebec District—which meant that one new store was opened in each District during the period under review. In these stores there were 247 employees for the Montreal District and 81 for the Quebec District. During the fiscal year 1930-31 the Commission paid to the Department of National Revenue—less the amount of reimbursements—the sum of $7,452,158 as compared with $9,299.967 paid in the previous year. Orders issued represented 3,815,719 *litres* valued at 50,131,244 *francs;* of which there were 2,916,490 *litres* of wine valued at 28,371,320 *francs* and 899,229 *litres* of spirits valued at 21,759,924 *francs.* In the Commission's Laboratory 3,989 samples were registered representing 1,204 distinct reports of analyses which, valued at the usual commercial rate, amounted to $113,580. The number of actions instituted in the Montreal District for violations of the law were 3,584, as against 3,473 in the previous year. A distinct falling off in the number of "blind pigs" was reported, as also in the attendance at them, with unlicensed night clubs a thing of the past. In the Quebec District there were 1,059 prosecutions. Total fines imposed amounted to $83,657.

Workmen's Compensation Commission. Due to the establishment of a system of collective insurance under which this body is charged with the collection of assessments and the paying of indemnities for accidents, it was faced with a very heavy task in 1931. Provisional rates established by the Workmen's Compensation Board of Ontario were used as a temporary measure, although it was feared that these would not be adequate for Quebec and this apprehension was justified by experience, as the number of employers assessed for the four months ended Dec. 31, 1931, was 6,120. Assessments made on employers totalled $1,035,147, with penalties of $2,336. The total expenses of administration for the year amounted to $172,161. George W. Bourke, F.I.A., F.A.S., was retained as Consulting Actuary. There were received 12,420 claims for accidents which happened prior to Sept. 1, 1931, while the total amount of indemnities awarded was $2,758,785. Lumbering operations again provided the greatest number of accidents, namely 3,322. The comparatively small number of women injured in industry, namely 281, out of a total of 13,204 cases disposed of during the year, is noteworthy. Of 2,318 claims involving permanent incapacity, 1,673 were valued at less than 10 per cent. The cases of permanent total incapacity were somewhat higher proportionately than in 1930, or 15 in all. The staff was increased from 79 employees to 125 in order to meet with additional responsibilities assumed by the Commission.

The Province of Quebec

(As at June 30, 1932)

Lieutenant-Governor ..... Hon. Henry George Carroll

The Taschereau Ministry (Liberal)

Prime Minister, Attorney-General, Provincial Treasurer and Minister of Municipal Affairs	Hon. Louis Alexandre Taschereau
Minister of Lands and Forests	Hon. Honoré Mercier
Minister of Roads and Mines	Hon. Joseph Edouard Perrault
Provincial Secretary	Hon. Louis Athanase David
Minister of Colonization, Game and Fisheries	Hon. Hector LaFerté
Minister of Public Works	Hon. Joseph Napoléon Francoeur
Minister of Agriculture	Hon. Adelard Godbout
Minister of Labour	Hon. Charles Joseph Arcand
Minister without Portfolio and Leader of the Legislative Council	Hon. Narcisse Pérodeau
Minister without Portfolio	Hon. George Bryson
Minister without Portfolio	Hon. Emile Moreau
Minister without Portfolio	Hon. Lauréat Lapierre
Minister without Portfolio	Hon. Joseph Henry Dillon

Speaker, Legislative Assembly	Hon. Telesphore Damien Bouchard
Speaker, Legislative Council	Hon. Jacob Nicol

Heads of the Administrative Services

Clerk of the Executive Council	Alfred Morisset
Clerk of the Legislative Council	R. A. Benoit
Clerk of the Legislative Assembly	L. P. Geoffrion
Deputy Attorney-General	Charles Lanctôt, K.C.
Deputy Provincial Secretary	A. Desmeules
Assistant Provincial Treasurer	A. P. B. Williams
Provincial Auditor	Edgar Vezina
Deputy Minister of Lands and Forests	F. X. Lemieux
Deputy Minister of Colonization and Fisheries	L. Arthur Richard
Deputy Minister of Agriculture	J. Antonio Grenier
Deputy Minister of Roads	Joseph L. Boulanger
Deputy Minister of Public Works	Ivan E. Vallée
Deputy Minister of Labour	Gerard Tremblay
Deputy Minister of Municipal Affairs	Oscar Morin
Director of Public Health	Alphonse Lessard, M.D.
Director of Mines	A. O. Dufresne
Superintendent of Education	Cyrille F. Delâge
Secretaries of the Department of Education	Lionel Bergeron and Dr. Walter Percival

THE PROVINCE OF NOVA SCOTIA

Unemployment and the Harrington Government; Other Affairs

While unemployment in Nova Scotia during 1931 was relatively on a lower scale than in any other part of Canada, yet there were evident signs as the Autumn approached, of a growing need of further action on the part of the Government in order that the situation might not become progressively worse during the Winter months. On Aug. 14, following a conference between Hon. E. N. Rhodes, representing the Federal Government, and Hon. Gordon S. Harrington, Prime Minister of Nova Scotia, and members of his Cabinet, a statement was issued to the Press explaining that plans were under way for employment on a Province-wide scale on public works, particularly in the industrial areas of Cape Breton and the mainland to be provided during the Autumn and Winter months. These would be undertaken by Federal, Provincial and Municipal Governments. A few days later the Provincial Prime Minister announced the appointment of a Supervisor of Unemployment Relief Registration for the County of Cape Breton. A joint statement issued on Sept. 7 by Mr. Rhodes and Mr. Harrington was to the effect that the work would not only give needed employment to approximately 1,000 men but would be of permanent benefit to the Province in the improvements of wharves and harbours, highways, elimination of road crossings, erection of needed public buildings and the completion of the Nova Scotia link of the great Trans-Canada Highway, between 60 and 70 miles long, with Louisburg, Cape Breton, as the terminus of the great roadway. In issuing his statement the Prime Minister besought for the Government the highest degree of co-operation from all factions in the Province in order that the utmost value and satisfaction might be obtained from the projects planned. The Federal Minister stated that the Dominion side of the improvements would involve, including the amount in the Main and Supplementary Estimates, an expenditure of $1,750,000. In addition to the direct Federal programme (wharf and harbour construction) the Dominion Government would also contribute 50 per cent. of the cost of the Trans-Canada Highway; 40 per cent. of Provincial highways and would unite with the Province in contributing toward municipal undertakings.

Other hope held out by the Provincial Government to the unemployed was the intimation by the Prime Minister (Mr. Harrington) several weeks before, that if a market were assured at a guaranteed price for power to be obtained from the development, the Lake Ainslie hydro power project, involving an approximate ex-

penditure of $1,750,000, would be constructed; the final decision, however, rested with the consuming municipalities of Cape Breton.

Changes in the personnel of the Provincial Executive Council, contemplated for some time and made necessary by the resignation of the Attorney-General, Hon. W. L. Hall, who had accepted a seat on the Supreme Court Bench, were postponed until the appointment of the new Lieutenant-Governor, Hon. Walter Harold Covert, K.C., President of the Nova Scotia Light and Power Company, Limited, and a senior member of a well-known legal firm, in succession to Hon. Frank Stanfield, whose sudden and unexpected death had occurred on Sept. 24, 1931. On the same day, Oct. 19, 1931, as the new Lieutenant-Governor was sworn into office, the Prime Minister announced that Hon. John Doull, formerly Provincial Secretary, had succeeded Mr. Hall as Attorney-General; that Hon. J. Frederick Fraser, Chairman of the Nova Scotia Power Commission and Minister without Portfolio, had become Provincial Secretary, and that Mr. Joseph MacDonald, Member of the Legislative Assembly for Cape Breton, had been appointed Minister without Portfolio.

During the Prime Minister's absence in the West Indies in December, where he had gone to recuperate after a rather serious illness, an acute situation arose in the Cape Breton coal mining fields, involving an industry which provided a livelihood for 50,000 people in the Province and, next to the Federal subsidies, was the largest single source of Provincial revenue. Negotiations having failed to produce an adjustment between employers and workmen, a Royal Commission to study the situation was appointed when the Prime Minister returned to Halifax. Upon the termination of the Inquiry and the publication of the Report, Feb. 20, a conference between the Government and the United Mine Workers' Executive took place to discuss the findings and for the presentation, by the latter, of certain suggestions, which were promised careful consideration by Mr. Harrington. Shortly afterwards the announcement was made in the House that, during a few days' adjournment, he and two of his colleagues would go to Ottawa to discuss the Cape Breton situation with the Federal Government. Upon their arrival in Ottawa, a Committee to confer with the Nova Scotia delegation was appointed (Mar. 11) by a group of Conservative Federal Members and Senators from the Maritimes, who were at the time meeting in caucus. A conference was held with the Dominion Government the following day and, upon his return to Halifax, Mr. Harrington announced that the discussion had been satisfactory and that, with the co-operation of those interested, the proposed remedial measures would, he thought, revitalize the coal mining industry. (See Sub-section: "Crisis in Coal Mining Industry," for further record). In the interests of unemployment, the Prime Minister, again (Apr. 9) during an adjournment of the House for one week, went to Ottawa; this time to attend an Inter-Provincial Conference called by the Dominion Prime Minister in

the interests of the several Provinces. Later, upon the close of the 1932 Session of the Provincial Legislature, during which measures were enacted for the relief of unemployment, the Prime Minister sailed for London, where it was understood prospects for the successful floating of a Provincial Loan were studied.

Politically, there is little to record for the period under review. The Liberal Opposition were quietly preparing for the General Election which was expected to take place in the near future. Criticism had been levelled at the Government for their failure to hold By-Elections in the several vacant constituencies. Speeches had had been delivered at Liberal meetings throughout the Province by the Provincial Liberal Leader (Angus L. MacDonald) while waiting to obtain a seat in the House; an important Liberal gathering of the year was the Convention of the Nova Scotia Liberal Association on Nov. 18, 1931, at which Rt. Hon. W. L. Mackenzie King, Liberal Opposition Leader of the House of Commons, spoke. He pointed out the need in Canada of a vigilant Opposition, not only for the expression of constructive criticism and in the support of Liberal principles and policies, but particularly in the preservation of established rights and liberties. That increased trade would help to solve the economic problem of Canada was the main theme of the Dominion Opposition Leader's speech. At the meeting D. C. Sinclair was re-elected President and a strong delegation was selected for the National Liberal Organization Committee meeting, to be held in Ottawa the following week. A resolution was passed condemning the partizanship administration and distribution by the Provincial Government of moneys contributed by the Federal Government for the relief of unemployment in the Province.

At the Annual Meeting of the Conservative Association of Nova Scotia, held on Mar. 18, 1932, in Halifax, C. B. Smith, K.C., was re-elected President. Resolutions were passed emphasizing confidence in Rt. Hon. R. B. Bennett, Prime Minister of Canada, and in Hon. Gordon S. Harrington, the Prime Minister of Nova Scotia; and congratulations were extended to Hon. E. N. Rhodes on his appointment as Dominion Minister of Finance.

The Crisis in the Coal Mining Industry. In January, 1932, for the third time, Sir Andrew Rae Duncan came from England to study and report upon a Maritime problem. In 1925 he had headed a Commission to investigate the coal industry of Nova Scotia and in 1926, the Maritime Rights Claim had been the object of his inquiry. In December, 1931, the Dominion Steel and Coal Corporation announced a policy of reduction in production costs affecting principally wages and salaries. These were to be reduced on an average of 12.3 per cent. upon the termination of the existing contract on Feb. 1, 1932. The mine workers' cut was estimated at 10 per cent., and higher officials, at 12 per cent. After negotiations at Glace Bay between the Corporation and the workmen had failed to bring about a satisfactory agreement, conferences attended by representatives of the Nova Scotia Government and the Provincial coal mining constituencies, the United Mine Workers and the Dominion Steel and Coal Corporation were held in Halifax (Dec. 29, 1931), but these, too, failed to accomplish a settlement. The Corporation claimed that the wage cut of 12.3 per cent., as announced, was necessary for

operation; the United Mine Workers' leaders stated that such a reduction would be disastrous to the livelihoods of the mine workers. The advisability of appointing a Royal Commission to study and report upon the question was discussed. It was rumoured, at the time, that this suggestion was favoured by the Corporation but that no promise that the mine workers would abide by the findings of such a Commission was given by the U.M.W. representatives.

Upon the Prime Minister's return from the West Indies (Jan. 8, 1932), the appointment was announced of a Royal Commission to investigate the coal mining industry in Nova Scotia composed of three members: Sir Andrew Rae Duncan, London, Chairman; Dr. Hugh P. MacPherson, Rector of St. Francis Xavier University, Antigonish, and Prof. John W. MacMillan, D.D., Victoria College, Toronto. The Commissioners were empowered, not only to inquire into and report on rates of wages, working conditions and "all factors directly or indirectly entering into the cost of production, transportation, the distributing and marketing of coal and its by-products" but also "all such other matters . . . as might be deemed expedient by the Commissioners." Attached to the Commission were: Hon. Gordon W. Scott, (Montreal), Financial Adviser, and William Armour, (Mines Department of Great Britain), Technical Adviser.

Sittings opened at Sydney on Jan. 30 where the Dominion Steel and Coal Corporation's programme for economical operation was presented in detail. It included, besides the wage reduction, a re-allocation programme under which two collieries in Cape Breton and two in the mainland would be closed down. The General Manager, H. J. Kelley, submitted documents showing that the loss on coal operation during 1931 had been $1,760,003; that potential competition in Canadian markets had been increased by wage reductions in the United States fields and that the proposed policy of costs reduction was mainly to meet future conditions. It was shown that the Company's yearly disbursement in the Province for wages and all other expenses, ranged from $26,000,000 to $42,000,000 from 1926 to 1931; the high year having been 1929 and the low year 1931. D. W. Morrison, President of the United Mine Workers, District No. 26, on Feb. 1 presented the Union's case. He stated that in the Union's view "the last normal year 1929 should be the guide" keeping in mind the industry's improved position by reason of the 1931 tariff and subvention legislation; that instead of the $1,800,000 reported loss of the Corporation in 1931, an operating profit of $1,000,000 should be shown if the overhead expense of idle collieries at $13,000 a day and the fact that days' working a week amounted to 2.5 in 1931 were considered; that the deficit was the result of non-operating mines. He claimed that the men had lost $5,000,000 in wages due to curtailment in work. Three views were presented on Feb. 2: first, was the Union's claim that the Dominion Steel and Coal Corporation's proposed abolition of extra allowances for local conditions, double and triple shifting, and for elimination of time and a half and overtime rates was a departure, in the first instance, from practice in the coal industry, and in the second, from general industrial practice as well as that obtaining in the collieries. On their part, Corporation officials advanced the claim that such proposals were designed to create savings which would "temper the wind" to the lower paid worker, obviating the necessity of greater cuts in basic rates. For the Commission, Sir Andrew Rae Duncan called the attention of both Company and Union to the 1925 recommendation: that negotiations in connection with general wage fluctuations and with the adjustment of rates, based on local condition, be kept separate and apart.

The Commission concluded its sittings at Sydney on Feb. 4, moving to Montreal to study marketing conditions and the coking value of Nova Scotia coal. On Feb. 9 they left for Nova Scotia to study production costs and other conditions at the mining area in the vicinity of Springfield and New Glasgow, going on to Halifax to consider the Corporation's proposal of ceasing to pump Dominion No. 6 mine.

The Report of the Commission was presented to the Prime Minister on Feb. 19 and made public the following day. It made clear the need for:

(1) decreased colliery costs; (2) reduction in wages; (3) appointment of an independent umpire to settle disputes on the interpretation and application of agreement terms; (4) acceptance of the re-allocation proposals of the Dominion Steel and Coal Corporation with the exception of the plan to close Cumberland No. 6 at Springfield; and (5) amendment of the Domestic Fuel Act to bring under its provisions amounts of Nova Scotia coal not at the time eligible for bonus. The Commissioners believed it proper to regard the 1932 Report as in some respects supplementary to the previous one of 1925 and the Report made clear their view that these recommendations, in so far as they related to economies, were necessary in their entirety. In addition it was pointed out that it would be necessary that the fullest co-operation be exercised in the eliminating of all ineconomic practices, and in correcting all controllable causes of pit-head costs; that the Corporation would have been justified in making a wage adjustment at the beginning of the previous year (1931); but that they had carried on at the expense of the working capital. It was stated that more regular employment would result from a lessening of working outlets and increased frontage of available areas; that in 1931 idle days had placed a burden on costs of $2,250,000 or about 60 cents a ton; and that this was no temporary condition but was a continuous burden, becoming naturally more noticeable in depressed times; that it was clear that if markets could be made available for another million tons of coal, there would still be too many men in the pits. "We should be shirking our responsibility if we did not make it quite clear that in our view the proposals of the operators should be adopted and enforced and we recommend accordingly."

On Feb. 25, shortly after the Report had been made public, Sir Newton Moore of London, England, Senior Vice-President and Director of the European business of the Corporation, succeeded, as President of the Dominion Steel and Coal Corporation, Charles B. McNaught, who had retired owing to ill-health.

On Mar. 2 it was announced that the Executive of the U.M.W. of District 26 had advised the 13,000 miners whose wages would be affected, to accept the wage reduction as preferable to a strike and to oppose the re-allocation scheme. A few days later (Mar. 5), a statement was presented to the Prime Minister (Mr. Harrington) by the U.M.W. representatives declaring that the proposed closure would throw 2,000 men out of work and asking for legislation to block the scheme. Other suggestions presented by the delegation were: that the six-hour day be made statutory for labour in Nova Scotia; that the rate of compensation for workmen and their dependants be increased; that a commission be appointed to inquire into wholesale and retail prices and different methods of distribution of soft coal in the Province; that a commission be appointed to inquire into rates paid first, second and third class engineers; that a Provincial housing scheme be established; and that $50 per month be set as the minimum amount instead of $20 per month as in other Provinces with regard to the Workmen's Compensation Act. An announcement followed this presentation to the effect that the Prime Minister with the Hon. Percy C. Black (Minister of Highways) and the Hon. J. F. Fraser (Provincial Secretary) would leave for Ottawa to discuss the situation with the Federal Government, the Provincial Legislature, which was then in Session, having been adjourned for this purpose. On his return from Ottawa, the Prime Minister stated that under the arrangement made with the Federal Government it was expected that Nova Scotia would replace imported coal in certain areas in Quebec and Eastern Ontario, and that a new market for an extra tonnage in excess of 1,000,000 tons of Nova Scotia coal would be provided. The Prime Minister also said that the re-adjustment of the financial claims of the Province, as pointed out in the Duncan Commission Report, would be dealt with at Ottawa following the Economic Conference in July, 1932.

Meantime, the miners were preparing to cast a vote to decide upon the acceptance of the wage cut. The referendum took place on Mar. 15 with a majority of 1,203 against the advice of the Executive of the U.M.W. Notices had been posted at the Corporation's plant stating that the wage reduction

would go into effect on Mar. 15. The miners were advised by their Executive to remain at work until after the Convention of the Nova Scotia District of the U.M.W. which was to be held in April.

About this time discussion by representatives of leading organizations and industries, meeting in Sydney, brought forth a plan which envisaged a "regional bonus" or "bonus-to-buyer" arrangement. Briefly, the idea was that the Dominion Government, through their Fuel Board, should pay a bonus to buyers of Canadian coal in certain sections agreed upon as economic markets for the domestic product.

After the U.M.W. Convention, on Apr. 18 and following days, had discussed the wage situation from all angles, it was decided, on the fifth day, to appoint a Committee to consider and bring in recommendations with regard to the policy of accepting the reduction. A majority report, in favour of acquiescence, on condition that steps be taken to avert the projected closure of the four collieries, was refused, 77 to 57, by the Convention. At this same meeting, a motion, censuring the Prime Minister (Mr. Harrington), was passed without dissent. The motion followed the receipt of a reply from Mr. Harrington in answer to a telegram sent by D. W. Morrison, President of the District Union, asking whether or not the Government had approved the closing of the four collieries in accordance with the Corporation's re-allocation scheme and whether or not provision had been made for men displaced. The Prime Minister had replied: "Practically no time consider matters raised your telegram. However, no consent by Government has been given to closing collieries; nor is any consent required. Am meeting President of Company see if possible work out any alleviation. Must deprecate attitude taken by some there attempting to lay blame upon Government for present situation. Your executive had full contact with inquiry by Duncan throughout and know situation, whereas Government had no contact with him whatever until after investigation completed. Believe Government has done all possible try to meet present emergency arising from world conditions entirely beyond our control." (*The Halifax Chronicle*, Canadian Press dispatch, Apr. 27, 1932).

Finally, after nine days' deliberation the Convention adopted new proposals presented by the Policy Committee which had reconvened. This second report recommended that the District Executive adhere to the policy laid down at the last District Convention at Sydney in June, 1931, calling for wage increase varying from 10 to 20 per cent. and which formed the basis of the initial negotiations entered into between the Union and the Corporation before the expiration of the previous wage agreement.

In connection with the motion of censure an incident arose in the Legislature a day or two later when the Prime Minister, speaking on a question of privilege in the House, severely denounced an editorial in *The Halifax Chronicle* which had commented on the action of the United Mine Workers with regard to the Prime Minister, intimating that the vote of censure was deserved. Mr. Harrington claimed that he resented, not so much the attitude of the newspaper toward himself as the injury such remarks might do to the important Nova Scotia industry. The Prime Minister then stated in reply to the editorial that in the previous year the Nova Scotia Government had received assistance from the Dominion Government through the tariff and subventions that caused the people of the Dominion to contribute something over $3,000,000 annually toward the benefit of the coal trade, of which a very large sum was utilized in subventions; and in 1932, the Dominion Government "has allotted to the coal industry of the East the entire territory making up the difference in cost between our coal and imported foreign coal, an amount which will run to approximately $2,000,000." Therefore, "quite to the contrary of the article in question I believe the vote of censure was not deserved." (*The Halifax Herald*, Apr. 29, 1932). The Prime Minister then announced to the House that a coal order of 150,000 tons of washed Princess coal had been received from the La Salle Coking Plant of Montreal. Accompanying the order was a statement that the terms of the new Order-in-Council just announced from Ottawa, were satisfactory to the plant, and that the Nova

Scotia Prime Minister was to be congratulated for having brought the issue to a satisfactory termination.

The passing of the Order-in-Council (Apr. 27), altered the requirements necessary to qualify for the Federal bonus, amounting to approximately $1.00 a ton. Previously the bonus was allowed when the amount of Nova Scotia coal used in the making of coke totalled 50 per cent. It was claimed that this barred its use. However, this requirement was removed by the new Order-in-Council. Other mixtures for the type of coke found suitable, could be used.

A day or two after the Prime Minister's denunciation of *The Chronicle* editorial, Opposition Members in debate protested against references made by Mr. Harrington to the Editor of *The Chronicle.*

Further assistance to the coal industry was announced from Ottawa in the form of an Order-in-Council (May 9), the operation of the measure to be under the administration of the Dominion Fuel Board. Freight rate subventions on the transportation of Nova Scotia coal to Quebec and Ontario were increased. (See Section: Federal Administration and Politics, for particulars). An additional aid was the payment by the Dominion Government to coal operators or coal distributors the difference up to $2 a ton between the laid-down cost to the railways of coal mined in Canada and used in the Provinces of Ontario and Quebec, and the laid-down cost at the same points of imported coal; this referred to coal purchased by the railways over and above their consumption for 1931.

On May 26, after months of holding out against the wage reduction the miners of the U.M.W. District 26, reached a majority decision to accept the cut. This was in preference to the question submitted to them as to whether it was to be acceptance or a strike. 5,198 men voted for the acceptance of the reduction and 1,598 voted for a strike. The contract with the Dominion Steel and Coal Corporation was signed, to be effective from May 31, 1932, to Jan. 31, 1933.

Press reports of further coal purchases from Nova Scotia after these announcements were: May 11, an order of 150,000 tons from the Montreal Coke and Manufacturing Company; May 17, orders from the General Motors Corporation of Canada, Oshawa, and from seven Toronto firms; June 17, an order from the Canadian Pacific Railway Company of 85,000 tons——80,000 tons of this was in addition to the order given each year for Nova Scotia coal. An active campaign of selling was inaugurated by the Dominion Steel and Coal Corporation in Ontario, with fruitful results.

During the 1932 Session of the Nova Scotia Legislature, certain measures were passed in the interests of the coal miners. (See "Session of 1932").

The 1932 Session of the Legislature

The Fourth Session of the Thirty-Ninth General Assembly of Nova Scotia opened on Feb. 23, 1932, with 36 Members sitting (vacancies existed in Halifax, Hants, Lunenburg and Colchester); and with a standing of 20 Government (Conservative) and 16 Opposition (Liberal) Members. The Prime Minister, Hon. Gordon S. Harrington, entered the 1932 Session with a re-adjusted and very able Executive Council. On the Opposition side A. S. MacMillan, who had been appointed Liberal House Leader during the previous Session, pending the election to the House of Angus L. MacDonald, new Leader of the Provincial Liberal Party, had the support of William Chisholm, vigorous debater, who had resigned as Opposition Leader in 1930 owing to ill health but who had sufficiently recovered to take an active part in the affairs of the lengthy 1932 Session, which closed on Apr. 20.

Twice during the Session the House adjourned for several days in order that the Prime Minister might go to Ottawa; in March, to discuss the crisis in the Cape Breton collieries; and in April, in response to the calling of a Conference by the Dominion Prime Minister to consider questions of inter-Provincial concern. During the Session 145 Bills were passed. Debates were numerous and prolonged with many participants; attacks on the Government by the Opposition were frequently directed toward expenditures in connection with the Mersey River Power project and the distribution of unemployment relief moneys.

The Session was opened by the Lieutenant-Governor, Hon. Walter Harold Covert, K.C., who referred in the Speech from the Throne to the Province-wide grief in the unexpected death in September of his predecessor, Hon. Frank Stanfield. After summarizing conditions in Nova Scotia during the year 1931 and stating that the Report of the Royal Commission appointed to investigate the coal mining industry in the Province would be presented to the House for consideration, and that the Government were examining the figures of the Decennial Census with a view to recommending to the House any changes that might be advisable in the Act dealing with the constitution, powers and privileges of the House, the Speech drew attention to the measures which would be offered for consideration: Bills for the creation of a Department of Municipal affairs and for the establishment of a Department of Labour; a Bill with regard to automobile insurance; Amendments to the Motor Vehicle Act and other public Statutes of the Province; and certain measures for the augmenting of the revenues of the Province.

The Address-in-Reply to the Speech from the Throne was moved by Dr. A. McD. Morton (Con., Halifax) and seconded by D. W. MacKay (Con., Queen's). A. S. MacMillan (Opposition Leader) opened the Debate in a two and a half hours' speech on Feb. 24, during which he announced that the Government would be called upon to explain the expenses of the Mersey River Power development. He declared that action should be taken with regard to the coal mining situation; that hints at re-distribution were not timely when four seats in the House remained vacant; that farm acreage was decreasing and while butter production had increased, other dairy products had lessened and lack of standardization had led to low prices; that partizanship had been shown in the distribution of unemployment relief moneys; that a general policy of retrenchment in meeting the Government's $400,000 deficit must be introduced or the credit of the Province would be impaired. (*The Halifax Chronicle*, Feb. 25, 1932). Hon. Gordon S. Harrington (the Prime Minister) in dealing with the Nova Scotia Power Commission, declared that while the Government had constructed the Mersey River Power development, this important project would ultimately not cost the Province one cent; he agreed with the Opposition Leader that the serious situation in the collieries should

receive consideration, and he besought co-operation in the Government's efforts to correct conditions. He stated that he did not think that, with a General Election pending during 1932 or the following year, the expenditure involved in holding By-Elections would be justified; and he declared that it was the duty of any House to take stock after a decennial census. He claimed that, comparatively, the Province had lost very little in the world-wide economic upheaval; and he denied the accusation that partizanship had been shown in the distribution of relief work. (*The Halifax Herald,* Feb. 25, 1932). Later, in answer to Gordon B. Isnor's (Lib., Halifax) query (Feb. 25) as to the re-adjustment upwards of Provincial subsidies, the Prime Minister stated that an announcement might be expected during the Session; that the matter had been taken up with the Dominion Government.

The Debate on the Address-in-Reply to the Speech from the Throne, after continuing for two weeks with many Members taking part, concluded with addresses from Mr. William Chisholm (Lib., Antigonish) and Hon. J. F. Fraser (Provincial Secretary). Mr. Chisholm censured the Government for not having pressed the Province's financial claims, as outlined in the Duncan Report on Maritime Claims, upon the Dominion Government. He stated that there had been ample time to secure recognition in this regard since the change of Government at Ottawa. He called upon the Prime Minister to announce the plan to be adopted at Ottawa as to the coal miners, declaring that the people have a "right to know whether or not the Government stands four-square behind the Duncan Report"; and that the Opposition were prepared to co-operate as far as possible in the matter. He urged that the Government and their experts fortify the Report by an unanimous resolution to be carried to Ottawa.

Following Mr. Chisholm, the Provincial Secretary (Mr. Fraser) stated that it would have been futile for the Conservative Government to have presented the financial claims of the Province at Ottawa when the King Government was in power; and that since the advent of the Bennett Government economic conditions had not been favourable to the making of such an appeal, but that immediately upon the lifting of the existing financial stress the recommendations for such claims as were contained in the Duncan Report would be pressed. He claimed that the Prime Minister (Mr. Harrington) had studied the coal mining situation carefully and that he could be trusted to be impartial in his judgment. He felt sure that he (the Prime Minister) would arrive at a definite policy of action with regard to the solution of the problem. He denied the insinuations levelled at certain Government services with regard to graft. He knew that unemployment relief work had been properly administered in Halifax and he judged the same was true of the rest of the Province. (Here ensued a clash with G. B. Isnor). He denied that the $70,000 stock carried by the Liquor Commission was excessive

in view of the volume of business and compared with that carried on in New Brunswick with fewer stores; and he felt that the cost of the Commission could not be justly criticized. Mr. Fraser claimed that matters regarding the Mersey development had been before the Public Accounts Committee of the House the previous year; that with all information before it, no evidence could be found that a cent had been wrongfully spent; and that it (the Committee) had reported to the Legislature that everything was in order. Mr. Fraser contended that the Opposition Leader (Mr. MacMillan) was now re-opening the matter; that damaging and misleading statements had been made; that his (Mr. MacMillan's) inquiry had arisen from the desire to play petty Party politics at the expense of an industry that meant so much to the Province.

Mr. Fraser's speech concluded the Debate and the Address-in-Reply to the Speech from the Throne was passed "on division." No amendment had been offered by the Opposition and no formal vote was recorded at the conclusion of the Debate. The House, at this juncture, was adjourned for one week in order to permit the Prime Minister and two Members of his Cabinet to go to Ottawa to discuss with the Federal Government the plight of the Nova Scotia coal miners.

Public Accounts; the Budget. The Public Accounts for the year ended Sept. 30, 1931, were tabled in the House on Mar. 2 (1932). Revenue for the fiscal year was shown as $8,104,601 and Expenditures, $8,194,592, exceeding Revenue by $89,990. With the addition of total Sinking Fund instalments including Highway funds paid during the fiscal year of $394,740, less amounts applicable to Capital Account (Chap. 19, Acts 1921) of $79,896, the total Deficit was shown as $404,834. The Provincial Treasurer drew attention to the fact that there had been no increased taxation during the year; that there had been paid the sum of $333,000 under the Mothers' Allowance Act, and that there had been a net increase of $81,983 toward education. Considering this Mr. Fraser declared that the result was satisfactory. Compared with the year ended Sept. 30, 1930, the net increase in Revenue amounted to $422,535; of this increase the Highways Department, principally the Motor Vehicle Branch, was credited with $214,557, and the Nova Scotia Liquor Commission, an increase of $490,553 after deducting from their profits the earnings under the Board of Vendors for the year 1930. The Funded Debt of the Province was given as $47,022,371, the amount borrowed for the Nova Scotia Power Commission as $13,303,241; and the Net Debt, $38,549,722.

"In view of the present world conditions, we think it is the part of prudence that, while not sacrificing any essential service we should make a determined effort to preserve a balanced Budget, and to this end we solicit the co-operation, not only of the hon. gentleman opposite but of our people in general," declared Hon. J. Frederick Fraser (Provincial Treasurer) in presenting his first Budget on Mar. 16, 1932, the main items of which were: (1) an Estimated Surplus of $2,291.57; (2) Ministers and officials of the Government receiving salaries of more than $2,000 a year to be reduced from five to ten per cent.; (3) increase in tax on certain corporations such as banks, trust and loan companies, telephone and light firms; (4) increased rate of pensions to teachers who retired prior to 1928; (5) increased salaries for teachers, mainly for temperance instruction; (6) increase in gasoline tax from five to six cents per gallon effective from Apr. 1; (7) theatre and amusement tax to be increased by Order-in-Council approximately on 10 per cent. basis, with the two-cent tax on lower priced tickets to remain; (8) larger grants to hospitals to meet increased bed accommodation for tubercular patients at

certain hospitals; (9) increase in Succession Duties, $490,000; (10) net profits of Liquor Commission, $630,000——approximately $122,000 less than previous year; (11) provision for an enlarged nursing service; (12) operation of Inverness coal mines to cost $30,000 in excess of the previous twelve months. (*The Halifax Herald*). Though the Budget, as presented to the House by the Provincial Secretary, showed an estimated Surplus of $2,291, Supplementary Estimates introduced later increased the amount of the Expenditures slightly, so that in the final analysis the Estimates as passed by the House showed a Deficit of $11,123. The Gross Revenue for the fiscal year ending Sept. 30, 1932, was forecast at $9,667,152 as against $9,350,490 for the previous year; and Gross Expenditure, $9,678,276 as against $9,671,217 for the previous year.

A. S. MacMillan (Opposition Leader) opening the Debate on the Budget (Mar. 18) declared that a balanced Budget under "the present Government and at the present time" was an impossibility despite the fact that it had been balanced on paper; that it had been done at the expense of the Highway Department which had been cut $200,000; that it looked like an Election Budget; he enumerated instances in which Department expenditures might be cut. He made his second attack of the Session on the Government administration of the Mersey River Power project. He called upon the Government (Mar. 21) to state their intentions with regard to the Duncan Report; asked whether the Government had made any representations through the High Commissioner at London with respect to the importation of lumber from Soviet Russia to be distributed through the British Isles; and if the Government knew that a Company had been formed in London, Liverpool and Manchester for the purpose of importing from Russia all their requirements of spruce deals; what the Government had done with respect to the potato export to Great Britain; and if representation had been made by the Nova Scotia Government to the Dominion Government respecting the placing of the Fisheries Department under the Minister of Marine. Gordon B. Isnor (Lib., Halifax) following Mr. MacMillan, criticized the proposed methods of taxation, particularly the increased tax on the banks and trust companies, claiming that such might have an adverse effect on the banks in the closing of their smaller branches. He expressed surprise that the estimated revenue from the Liquor Commission was not larger than $630,000. (The Prime Minister thereupon explained to the House that in the previous five months as compared with the same period of the year before, there had been a considerable decrease in the consumption of spirits of all kinds). The Debate on the Budget, during which Mr. Chisholm (Lib.), Mr. Proudfoot (Lib.) and others participated was concluded by Hon. J. F. Fraser (Provincial Secretary-Treasurer), who declared that the total increase in taxation was $250,000 and not, as charged by the Opposition, $1,500,000. The Motion to go into Committee of Supply was passed on Mar. 30 without record of the division thereon.

Legislation and Incidents of the 1932 Session. Of the 154 Bills introduced during the Fourth Session of the Sixteenth Legislature 145 were passed. The two most important Government measures were the Redistribution and the Land Settlement Bills. The following summaries define these Acts and other legislation together with certain measures which met with defeat and the several important Resolutions presented to the House:

The Redistribution Bill (an Act to Amend Chapter 2, Revised Statutes, 1923, of the Constitution, Powers and Privileges of the House), introduced by the Prime Minister (Hon. G. S. Harrington) on Apr. 22, established the membership of the House of Assembly at 30 after the next dissolution. The measure was based on a Report of a Special Committee composed of Hon. Joseph MacDonald (Minister without Portfolio), Chairman; Dr. A. McD. Morton (Con., Halifax); W. A. Flemming (Con., Colchester); G. E. Romkey (Lib., Lunenburg); and R. W. E. Landry (Lib., Yarmouth). The two Opposition Members had not attended meetings during the consideration of the Redistribution measure. The Report recommended that 20,000 be the unit of representation in the Nova Scotia Legislature; this figure was one-fifth

the population of Halifax, City and County, which was taken as the basis of representation for the House. Where the population was in excess of 20,000 by 25 per cent. a second Member would be given, and if county geography permitted, a division in its single-member constituencies would be made. A prolonged Debate, following the introduction of the Bill, during which ten Opposition Amendments were voted against, was concluded when A. S. MacMillan's (Opposition Leader) "hoist" Motion was voted down 17 to 14; the Bill then was passed by the same vote. One change was made in the original Bill, Lunenburg being made a dual constituency instead of being divided into two single-member ridings.

An Act to Assist in the Settlement of Vacant and other Unoperated Farms and to relieve the unemployment situation was described by the Prime Minister, when introducing the Bill, as an emergency measure to deal with the distress in the collieries. It was to provide for the rehabilitation of the unemployed miners on farm lands in the Province. On Apr. 21, 1932, the Government announced that the members of the Nova Scotia Miners Land Settlement Board, appointed to administer the Act, would serve without salaries but would receive an allowance for attendance at meetings. The members were: Hon. O. P. Goucher, Chairman; Dr. H. C. McIntosh, Vice-Chairman; and D. R. Nicholson, Joseph McDougall and Dr. M. Coady, members. An office was established at Glace Bay in charge of H. H. Condant, Superintendent of Land Settlement for the Department of Agriculture, who was appointed to look after organization.

The Department of Labour Act provided for the establishment of a Department of Labour under the supervision of one of the existing Ministers; and for the appointment of a Secretary of Labour to be the Executive Officer of the Department.

The Unemployment and Farm Relief Act, 1932, validated all contracts made during the previous year under the Dominion Unemployment and Farm Relief Act and authorized the borrowing by the Province and by the Municipalities for the purpose of relieving unemployment.

The Nova Scotia Housing Act provided for the establishment of a Housing Commission which would make a survey of housing conditions in Nova Scotia and which would encourage the organization of private housing companies that might be able to build houses at favourable rates in the cities and towns with the object of improving existing housing conditions.

Amendments to the Constables Act provided for the employment of the Royal Canadian Mounted Police in the Province of Nova Scotia in place of the Provincial Police, the R.C.M.P. to be invested with the same authority as that held by the Nova Scotia Police. They were to take over their duties on Apr. Ist. Provision was also made for negotiations to be entered into with the Federal Government for this end.

An Amendment to the Education Act provided for those teachers in the Province whose ineligibility for the Pension Fund of 1928 had been the source of some agitation, correspondence having been directed to the Members of the Legislative Assembly and to the Government on their behalf. Hon. Benjamin Russell, retired Member of the Supreme Court, had been an earnest advocate of the older teachers' receiving pensions on the same scale as those who came under the Pension Act of 1928. The measure also provided for outside pupils' entrance to Grade IX. in local schools without loss to the latter of their grants under certain conditions.

The Assessment Act was amended so that in cases where more than six years' taxes were overdue at the time of sale there would be no further period of redemption. By the Provincial Revenue Corporations Act the Tax on Finance, Insurance, Trust, Loan, Tramway and Railway companies was slightly increased in each case for the purpose of revenue. The Motor Vehicle Act was entirely revised and consolidated to embody the best features of standard Acts in force in the other Provinces of Canada and the States of the Union. By the Automobile Insurance Act the standard form of Insurance Act relating to automobile Insurance which was being adopted in all

Canadian Provinces would be adopted in Nova Scotia when the Act was proclaimed. An Act provided for the organization, operation and supervision of Co-operative Savings and Credit Societies (termed "Credit Unions"). The Forest and Game Act provided for an open season for rabbits from Nov. 15 to last of February on the mainland and from Nov. 1 to last of February on Cape Breton Island; for the repeal of the Section prohibiting the export of rabbits; for an open season for mink, otter, raccoon, fox or muskrat from Nov. 16 to Dec. 31; for an open season for ruffed grouse from Oct. 16 to Nov. 15 on the mainland and from Nov. 1 to Nov. 15 on Cape Breton Island; for the daily bag limit for woodcock to be eight, for ruffed grouse, five, and abolishing the season bag limit; for the establishment of a new non-resident deer licence and for the abolition of the royalty on moose and deer skins.

Other enactments of the 1932 Session were: an Act to encourage the growing of certain varieties of seeds and to ensure the growing of seed of pure quality; an Amendment to the Succession Duty Act making some increases in duties payable by estates of high values; changes in the Nova Scotia Liquor Act making the former Act more effective; an Act making clear that persons receiving aid under the Unemployment Relief Act were not disfranchised; Amendments to the Nova Scotia Summary Convictions Act cleared up certain questions of jurisdiction in cases where an offence had been committed on the boundaries of two counties and prevented the quashing, setting aside or holding invalid, of process issued by a Magistrate on highly technical grounds if it appeared from an affidavit that the Magistrate actually had jurisdiction; an Insurance (Temporary Provisions) Act giving powers to the Governor-in-Council to make orders and regulations as might be deemed necessary or advisable in reference to certain aspects of insurance, the Act to go into force when proclaimed; an Act establishing a Provincial Nursing Service; an Act increasing the Gasoline Tax; an Act changing the Constitution of the Nova Scotia Farmers' Association and County Farmers' Association whereby Municipal Councils might grant to such a greater sum than $25.00; an Act assuming within the Province jurisdiction in the inspection of fish and canneries where goods were not for export.

A Resolution memorializing the Federal Government on the urgent need of assistance to the fish industry of Nova Scotia was moved during the Session by Gordon E. Romkey (Lib., Lunenburg) on Mar. 22, 1932. He pointed out that the fishing industry of Nova Scotia had declined in two years by $6,637,991; and that it appeared to be the one remaining hope of the Province following the impairment of the lumber and coal industries. After a strong plea on behalf of the Resolution by L. C. Gardner (Lib., Yarmouth), it was unanimously passed.

The County Temperance Bill (a Local Option measure) "was ruled out" of the Legislature as not having received the unanimous consent of the House. It had been introduced by a private Member.

A Bill, an Amendment to the Act Governing Powers and Privileges of the House, introduced by R. W. E. Landry (Lib., Yarmouth), was defeated by a straight Party vote of 18 to 15 on second reading, after a spirited Debate. The Bill sought to prevent any Member of the Legislature being paid for other services to the Province. The Prime Minister moved a "hoist" stating that he was in accord with the principle of the measure but that he could not agree to certain terms of the Bill.

A Bill to amend the Public Utilities Act, giving new wide powers to the Public Utilities Board in its dealings with amalgamations of utility companies was designed to eliminate the objections which were responsible for the rejection of the merger proposals in January (1932) of the Nova Scotia Light and Power Company Limited with the Avon River Company and subsidiary companies. This Bill died during the last few minutes of the Session. The Law Amendments Committee had been instructed by the House to give a second consideration to the measure; officially, it was "still considering" when the Legislature adjourned until 1933.

A Resolution introduced by William Chisholm (Lib., Antigonish), requiring the Government to submit the accounts of all Boards and Commissions

annually to the House of Assembly for examination, was defeated, after a keen debate, 17 to 14, having been first amended so as to convey an entirely different meaning on Motion of H. T. McKenzie (Con., Annapolis): that, in the opinion of the House, reports of all Government Boards and Commissions "are submitted in an entirely satisfactory manner and in accordance with the Statutes."

George C. Nowlan's (Con., Kings) Resolution on the apple markets of Nova Scotia, urged the Federal Government to take every advantage of the Imperial Conference at Ottawa in an effort to establish reciprocal markets to assist the Annapolis Valley industry. A. S. MacMillan moved an Amendment to the effect that the terms be broadened to include all Nova Scotia products alike. A Debate was in progress when the House adjourned on Apr. 30.

W. McL. Robertson (Lib., Shelburne), moved a Resolution on reciprocal markets, calling for immediate and aggressive action to secure from the Federal Government a reciprocal market within or without Canada for Nova Scotia. Dr. M. E. McGarry (Lib., Inverness) seconded the Resolution. Hon. Joseph MacDonald (Con., Cape Breton) moved an Amendment that the House "recognize the co-operation extended by the Province of Ontario and Quebec and the satisfactory manner in which Nova Scotia withstood the depression." The Debate which followed did not reach a final stage before Prorogation on Apr. 30.

There was unity of Government and Opposition forces in the House in terming the "Gibb Report" on Harbours and Ports, disappointing and "not to be considered" as final, the Opposition Leader (A. S. MacMillan) assuring the Prime Minister (Hon. Gordon S. Harrington) that the Liberal Opposition were prepared to support the Government in whatever effort was made in the interests of the development of the Halifax Port as a grain port. (See "Gibb Report" elsewhere in this Volume).

It was announced by the Prime Minister during the Session that the Inverness coal mines, under the operation of the Government of Nova Scotia, were in the market for private operation. It was stated, however, that the Government would continue to work them until a private operator could be found.

The Public Accounts Committee after investigating accounts of the Nova Scotia Liquor Commission reported to the Legislature that they had examined the following witnesses under oath: W. B. Proctor, Chairman, Nova Scotia Liquor Commission; J. Campbell, Supervisor, Nova Scotia Liquor Commission; Paul Creighton, Dartmouth; Claude Colwell, A. Oatway, and Cyril Gorham, all of Halifax; and D. C. Sinclair, New Glasgow; and that "the evidence of all witnesses examined showed that all purchases by the Commission had been made direct from the Manufacturing Company, and although some of these Companies were shown to have local Representatives who received commissions it was established that not one of the local Representatives had any direct contact with the Commission or had at any time received orders or information from the Commission. Certain brands were listed when it was shown that there was a demand for the same and that they were quality products at fair prices, but in no instance was there any evidence to show that anyone had had brands placed on the list through political influence." The Committee also investigated accounts of the Departments of Highways and Agriculture, and the Nova Scotia Power Commission, and stated that "in all our investigations we have not found any instances where the records of the Province were improperly kept nor discovered any irregular transactions."

The Report of the Director administering the Mothers' Allowances Act (Ernest H. Blois), submitted to the Attorney-General, Hon. John Doull, and covering the year ended Sept. 30, 1931, stated that the whole cost of both administration and of the allowances was borne by the Provincial Treasury. Applications totalled 1,827 for the year, of which 1,030 were certified and approved. Total expenditure was $333,346 of which $310,602 was paid in allowances.

Agriculture. The Report of the Department of Agriculture (Hon. O. P. Goucher, Minister) for the fiscal year ended Sept. 30, 1931, described a year of excessive rainfall with a more than usually high temperature during much of the season and with the Winter of 1930-31 bringing heavy snowfalls, particularly in the North Shore counties. It was stated that the potato acreage had been about the same as in the previous year. Owing to export conditions, thousands of bushels were still in storage in October, 1931, with little prospect of outlet. The Cuban and the United States markets, owing to the tariff, were not available, while Quebec and Ontario both had had very large crops. The dairy production had been high, due to excellent pastures. The egg production, though large, brought low prices with prospects of an increase, however, as the season advanced. The excellent apple crop showed, approximately, 1,400,000 barrels. Lamb production and quality were well maintained but with low prices, the best grade of wool selling for 11 or 12 cents. There was a lowering in hog production but with the prospect of an increase. The low prices obtained were offset by the cheapness of food.

Agricultural Statistics for 1931 were: horses, 50,500; cattle, 287,300; sheep, 282,300; swine, 48,100 and poultry, 1,255,500. Field crops for 1931 and 1930 were as follows:

Field Crops, 1930 and 1931

	Acres 1930	Acres 1931	Yield per Acre 1930 Bush.	Yield per Acre 1931 Bush.	Total Yield 1930 Bush.	Total Yield 1931 Bush.
Spring Wheat	5,800	5,600	17.9	17.4	116,000	97,000
Oats	115,200	116,000	33.6	37.0	4,343,000	4,292,000
Barley	10,800	10,600	28.7	29.4	359,000	312,000
Spring Rye	200	200	22.5	22.5	4,500	5,000
Peas	800	800	18.8	....	18,000	.....
Beans	2,600	2,500	18.8	....	51,000	.....
Buckwheat	7,600	7,600	24.0	....	168,000	.....
Mixed Grains	4,700	5,700	33.2	....	163,000	.....
			Cwt.	Cwt.	Cwt.	Cwt.
Potatoes	31,200	30,000	107.0	96.0	3,338,000	2,880,000
Turnips, etc.	15,800	16,000	178.0	254.3	2,812,000	4,069,000
			Tons	Tons	Tons	Tons
Fodder Corn	1,200	1,200	11.0	8.0	13,000	8,000
Hay and Clover	540,000	551,000	1.59	1.84	859,000	1,014,000

Other items covered in the Report were: the increase of boys' and girls' clubs in the year 1931 from 142 to 228 and the number of club members from 2,187 to 3,319; the efforts of the Market Division toward development of marketing on a community rather than an individual basis; the promoting of the canning of fruits and vegetables, and the marketing of foxberries, cranberries, blueberries, strawberries, etc.; the extension of shipment of turnips to the United States' market; the making of a preliminary survey of the Bras d'Or oyster and promoting sales from the area; the organization of five new agricultural societies, bringing the total for 1931 to 192 with subscriptions amounting to $21,607; an estimated increasing apple crop for 1931 of fully 15 per cent. over the 1930 crop of 1,367,219 barrels; and a deficit for the 14 exhibitions held of $3,782 due to unfortunate weather conditions; the low price obtained for dairy products but an increase in butter production; the increase in egg circle shipments; the organization of 10 Women's Institutes during 1931 and the raising by the 118 Institutes of the Province (membership, 2,963) of $10,585 during the year; the arrival of 1,161 new settlers in Nova Scotia during 1931 and the entrance of $138,935 new capital into the Province.

The United Fruit Companies of Nova Scotia Limited, made up of 51 subsidiary Companies with a membership of 2,000, held their Twentieth Annual Meeting at Kentville on June 28, 1932. The President, in his address, drew attention to the need for proper cold storage facilities with regard to shipments to England; to the fact that of the total apples shipped to Great Britain in 1931 by Canada and the United States, Canada contributed 34 per

cent. and the United States 66 per cent.; to the publicity that was being given in the United States to the competitive export quality of the Nova Scotia applies; and to the need of adopting a trade mark for the Provincial product. The Annual Report stated that their President had made a survey of the apple market in Great Britain and had embodied his observations in a separate report; and that the reduced transportation rates obtained during the year had effected considerable saving to growers. The Organization had made total shipments of 411,703 barrels of apples during the year, approximately ⅓ of the entire Nova Scotia crop. Warning was given in the Report to Nova Scotia exporters to exercise more care in grading potatoes for shipment to Santiago and other British West Indies Islands. The Report questioned the value of British markets to the Maritime potato grower as enough potatoes were grown in Great Britain to supply the demand; and markets were sometimes sought for over production. It was also stated that owing to shipping expenses, the sale price from the export of potatoes would net Nova Scotia growers low returns. It was announced at the Meeting that after increasing the depreciation reserve and allowing for bad and doubtful debts, a dividend of 6 per cent. had been allowed to the shareholders. F. W. Bishop was re-elected President, and Harry O. Bishop, Kentville, Secretary and General Manager.

At the Nineteenth Annual Convention of the Dairymen's Association of Nova Scotia in Halifax on Jan. 20, 1932, the President, R. J. Smart presided and addresses were delivered by the Prime Minister, Hon. Gordon S. Harrington, and by the Minister of Agriculture, Hon. O. P. Goucher. Among the resolutions adopted were: that a request be made that educational butter grading be continued by the Dominion Producer Grader; that the Annual Butter Exhibit of the Organization be continued; that educational literature for creamery butter makers be distributed; that appreciation be expressed for the sending of the Provincial Dairy Superintendent to the World's Dairy Congress at Denmark; that the suggestion be made that the fares of students attending the Guelph College short Course be paid; that the Dairy Branch endeavour to re-test more samples at the creameries; that the Department be asked to investigate the cost of trucking; and that a request for a compulsory system of cream be established. A resolution was also passed extending sympathy to the families of W. A. MacKay, former Dairy Superintendent of Nova Scotia and of David Murray, first President of the Nova Scotia Dairymen's Association, who had both died since the previous Meeting of the Association; Charles G. MacLennan, Truro, was elected President, and W. J. Bird, Truro, Secretary-Treasurer.

The Annual Convention of the Nova Scotia Fruit Growers' Association was held at Kentville Dec. 1-4, 1931. The President, E. C. Shaffner, Lawrencetown, gave the opening address which was followed by the Report of the Executive. The latter announced an increase in membership over the previous year but stated that no progress could be accomplished until a general marketing educational programme was adopted. Dr. H. Cumming, Director of Marketing, drew the attention of the members to the need of larger markets for cash crops and to the profit which might be derived from canneries if more were established in the Province. Market conditions were discussed. It was stated at the Convention that the percentage of slack barrels arriving in Great Britain during previous apple-shipping seasons had shown a steady annual increase. The system of loading apples at Halifax by rolling barrels over warehouse floors was deprecated. Hon. J. A. MacDonald of Upper Dike Village was elected President of the Association and C. A. Good, Lawrencetown, Secretary.

Lands and Forests. The Report of the Department (Hon. John Doull, Minister) for the year ended Sept. 30, 1931, showed that 263 forest fires had occurred during the period, burning an area of 19,644 acres (8.4 per cent. of which was merchantable timber)——one fire alone burning 8,600 acres. The Report drew attention to the serious loss by fire of barren lands; that having been burned over so frequently it would take a long time before they

would revert to forests and that quite a portion of these lands consisted of reproduction. Of the acreage burnt during 1931, approximately 9,357 acres were barren lands. There was an estimated damage in 1931 of $43,951; and the cost of fighting fires was $11,916. A Fire Tax of $28,863 was collected. The value of blueberries grown on the barren lands exported from Yarmouth County (the centre of the industry) was estimated at, approximately, $50,000 compared to $250,000 in 1930. It was hoped that a shipment of 1,000 crates to Montreal would mean the opening of a new market for this product. Over 20 per cent. of the total area of the Province consists of barren land; over 3,000,000 are non-productive barrens. A campaign was embarked upon for the reforestation of these areas. Approximately 1,500,000 trees had already been planted by Boy Scouts and school children.

With regard to Crown Lands, only 22 Grants were issued during the fiscal year 1931, comprising 1,300.48 acres; nearly all the Grants were old ones. Four leases were issued during the year, comprising 29.1 acres; and 52 leases were renewed, comprising an area of 8,224.44 acres. Revenue from game amounted to $49,350 and expenditure, $64,238; revenue from Fire Protection, $29,215 and expenditure, $24,738; revenue from Provincial Land Tax, $98,488; and expenditure for reforestation, including the maintenance of the Forest Nursery amounted to $9,058.

During 1931, 4,685 deer were killed (including does) compared with 1,886 the preceding year. Moose killed in 1931 numbered 1,567 compared with 1,428. During the year 1930-31, the following pelts were exported: 46,629 muskrat; 2,149 mink; 16,466 weasel, and others. An increase in export of silver fox pelts was shown: in 1930-31, 5,744 pelts, and in 1929-30, 2,954.

The lumber industry continued as the most important industry of the Province although only 645 mills were operated during 1931 compared with 835 mills in 1930. 166,037,463 ft. of lumber were produced, a decrease of 58,401,180 ft. from the previous year. The amount of pulpwood cut for export was 169,976 cords, being 45,770 cords less than 1930. There was only a slight reduction in the pulpwood cut for local manufacture, the total being 159,558 cords. Tie production reported an approximate increase for 1931 for softwood ties, of 1,000,000 f.b.m., and for hardwood ties, of 600,000 f.b.m.; total ties produced: softwood, 3,401,070 f.b.m.; hardwood, 2,883,810 f.b.m.; mining ties, 1,156,500 f.b.m.

At the Second Annual Meeting of the Nova Scotia Fish and Game Protective Association, held in Halifax, Feb. 18, 1932, some of the recommendations to be made to the Legislature were as follows: that there be a closed season on does and that each hunter be limited to one buck; that more game sanctuary accommodation be provided; that the open season for bull moose be from Oct. 1 to Oct. 31; that the price of licence fees be increased; that there be no seasonable bag limit on grouse during years when they are so numerous as to allow an open season, the daily bag limit of five to be unchanged; that the open season for partridge be extended from Oct. 15 to Nov. 15 except on the island of Cape Breton; and that in Cape Breton the partridge and rabbit season open concurrently on Nov. 1, that a reciprocal arrangement be made between Nova Scotia and New Brunswick, whereby one licence fee for the two Provinces would be sufficient. The thirteen organizations comprising the Association reported a growing interest in the preservation of fish and game throughout the Province. Their efforts were being directed toward the installation of Fish Rearing Ponds, to which both Federal and Provincial Governments were extending their co-operation. Rev. A. W. L. Smith, Clementsport, was re-elected President.

According to the advance Report of the Dominion Bureau of Statistics, the total value of the product of the Fisheries of the Province in 1931 was $7,986,194, as compared with $10,411,202 in 1930. The lobster and cod fisheries were of first importance, the marketed value of the lobster amounting to $2,725,620 and of the cod to $1,671,201; the haddock product, third in value, totalled $1,325,919. The catch of fish of all kinds amounted to 2,117,305 cwt. as compared with 2,577,856 cwt. in 1930. Its value to the fishermen was $4,833,900, as compared with $6,842,953, the value of the 1930 catch. The

decrease in the quantity of fish caught was 18 per cent. and the decrease in value to the fishermen and in the marketed value, owing to lowered prices, were 29 per cent. and 23 per cent. respectively. The capital investment of the fisheries was $10,232,805, showing a decrease of $1,011,935 compared to the preceding year. The men engaged in catching and landing the fish numbered 15,527, with an average of 1,726 persons in the canning and curing industry during the year.

Mines. The Annual Report on the Mines of Nova Scotia for the fiscal year ended Sept. 30, 1931, was submitted by Hon. Gordon S. Harrington, Minister of Public Works and Mines, expressing confidence in the coming year and the hope "that the people of Canada will soon awake to the necessity for a national Fuel Policy through which Canadian coal will be used more extensively by the Canadian people." The Deputy Minister of Public Works and Mines and the Inspector of Mines, Norman McKenzie, reported that the average number of men employed at the coal mines totalled 13,055, as compared with 13,423 in the previous year. The total number of man-days worked was 2,568,048, a decrease of 421,380. The coal output amounted to 4,745,005 tons of 2,240 lb., as compared with the previous year's output of 5,754,502 tons. Coal sales were 4,315,429 tons, a decrease of 966,079 tons. Coke manufacture declined from 342,155 tons in the previous year to 223,685 tons; tar manufacture from 5,491,723 imperial gallons to 3,815,686 gallons. Gold production amounted to 575 oz., showing a decrease of 1,766 oz. The mining and shipment of crude and calcined gypsum reached 754,083 tons, a decrease of 109,051 tons. Salt production was 25,951 tons, as against 25,703 tons the previous year.

The Provincial Secretary. The Report of the Department of the Provincial Secretary for the year ended Sept. 30, 1931, was submitted by Hon. J. F. Fraser, Provincial Secretary. The Companies incorporated during the year numbered 141, as compared with 129 during the previous year. Authority was given 13 companies to change their names; to 14 companies to increase their capital, and to 4 companies to decrease their capital. 1,311 companies paid their annual registration fee under the Domestic, Dominion and Foreign Corporations Act; 9 new incorporations were made of farmers' co-operative societies; no new incorporation was made under authority of the Act to facilitate the incorporation of farmers' fruit, produce and warehouse associations; 3 new companies were incorporated under the Rural Telephone Act; 9 new companies were organized under the Act to facilitate the incorporation of owners of vessels in the fishing industry; 1 new association was organized under the Blueberry Association Act of 1928. Under the Act respecting Insurance agents, certificates of authority were issued to 1,529 resident agents and to 5 non-resident agents. The Departmental revenue for the year amounted to $1,345,564, of which $308,360 came from Succession Duties.

The total expenditure on unemployment relief in Nova Scotia during the year 1931 and in the first six months of 1932 is shown in the following table according to Dominion, Provincial and Municipal shares and the type of distribution:

Unemployment Relief

	Total	Dominion	Province	Municipality
Municipal Public Works	$1,419,950.00	$341,825.00	$ 342,825.00	$735,300.00
Direct Relief	502,107.77	167,369.26	167,369.26	167,369.25
Hospitals for Tubercular Patients	74,000.00		74,000.00	
Highway Construction	2,906,549.07	*16,372.92	2,885,014.26	5,161.89

* Note.—Board of Railway Commissioners.

The Twenty-third Annual Report of the Board of Commissioners of Public Utilities, (Commissioners: R. T. MacIlwreith, Arthur Roberts and John S. Roper) for the year ended Dec. 31, 1931, covered, as in other years, five classes of Public Utilities, whose reports referred to operations of municipal and private Corporations only for the year ended Dec. 31, 1930, classified as follows——Electrical: municipal, 29, and private, 32; Gas: private, 1; Tele-

phone: mutual, 206, and private, 68; Tramway: private, 2; Water: municipal, 33, and private, 2; total, 373. Since the fyling of all the Annual Reports of the above Corporations, the following were permitted to sell and convey their undertakings to the Maritime Telegraph and Telephone Co. Ltd.: the Waterville Mutual Telephone Co. Ltd., (Hants); the Barrington Township Telephone Co. Ltd., (Shelburne); and the New Ross Telephone Co. Ltd., (Lunenburg). In the electrical field the following plants and undertakings were sold to the Avon River Power Co. Ltd.: The Lower Horton Electric Co. Ltd., the Kingston Electric Light Commission, the Centreville Electric Light Co. Ltd., the Sheffield Mills Light and Power Co. Ltd., and the Gaspereaux Valley Electric Light Co. Ltd. During the year the Cape Breton Electric Co. Ltd. went into liquidation and its property was sold under foreclosure, the electric part of its business passing to the Eastern Light and Power Co. Ltd., and part of the tramway business to the Cape Breton Tramways, Ltd.——this last-named Company having been incorporated by the former operators and employees of the Cape Breton Electric Co. Ltd., to so operate the tramway under lease. Under the Rural Telephone Act, two applications for the incorporation of Companies were presented. The general downward trend of electric rates during 1930 continued during 1931 and in some districts a further increase took place in the use of electric equipment. It was announced on May 28 that Ira P. McNab had been appointed to the Commission to replace Arthur Roberts, K.C., who had resigned to accept the appointment as Judge of the County Court.

The Report of the Workmen's Compensation Board, (F. L. Milner, Chairman; F. W. Armstrong, Vice-Chairman, and John T. Joy, Commissioner), stated that during fifteen years from the beginning of 1917 to the end of 1931, accidents in the industries within the jurisdiction of the Board to the number of 108,931 had been reported and 1,385 workmen had been fatally injured. The amount actually paid to workmen or their dependents and for medical aid in this period, was $10,089,339 and the amount required at the end of 1931 for the purpose of paying life and other pensions and compensation to disabled workmen and for medical aid was $6,934,975. The total number of accidents of all kinds reported to the Board in 1931 was 6,775 or 2,743 less than in 1930. The total cost of all accidents, so far as they could be estimated, was nearly $1,160,400. In 1930 the Board decided to recalculate the pension reserves and the liabilities for outstanding claims on a 4½ per cent. basis instead of 3½ per cent. This work being completed in 1931, it was found that due to the recalculation the amount in excess in the pension reserve fund was $415,640, which sum was credited to the classes in proportion to the amount which they had contributed to the pension reserve fund.

Highways. The 14th Annual Report of the Department of Highways (Hon. Percy C. Black, Minister) for the year 1931 gave the status of highways in the Province as follows:

Class of Highways	Miles Graded and Surfaced	Miles Graded only	Miles not Improved	Total
Trunk Highways	1,454.13	32.40	118.07	1,604.60
County Highways	1,932.50	820.85	313.05	3,066.40
Local Highways	948.45	2,581.59	6,518.14	10,048.18
Totals	4,335.08	3,434.84	6,949.26	14,719.18

The classification of highway mileage in accordance with various types of surfacing was given as: bituminous Macadam, 17.50; waterbound Macadam, 30.23; crushed stone, 30.80; screened or crushed gravel, 4,256.55; graded but not surfaced, 3,434.84; not improved, 6,949.26; total, 14,719.18 miles. During the year 1,050.10 miles of construction work were carried out. Capital expenditures on highways totalled $1,010,751; expenditures on maintenance account, $1,895,458.

Owing to increased efforts of the Department to extend the tourist season, 253,984 visitors (150,664 with cars) entered Nova Scotia from May 15 to Oct. 15, 1931. As a result of short cruises on giant ocean liners promoted by the

Department, traffic through the port of Halifax showed an increase over 1930 of more than 300 per cent.

Under the Federal "Unemployment and Farm Relief Act, 1931," Nova Scotia received the sum of $1,000,000. Of this amount $813,789 was set aside for highway services, and was supplemented by contributions of $1,013,688 from the Provincial Government, $14,883 from municipalities, and $14,011 from the Board of Railway Commissioners and the Railway Companies, a total of $1,856,380. This sum was allocated as follows: Grade crossings, $20,015; construction of National Highway, $769,268; other highways, $978,447; bridges on Provincial highways, $44,000; town approaches, $44,650. The rest of the $1,000,000 from the Dominion Government, together with contributions from the Provincial Government and the municipalities, was made available for relief works.

The Committee appointed early in 1931 to investigate the question of dust relays, under the Chairmanship of Dr. F. H. Sexton, recommended: (1) that the use of Malagash salt as a dust layer on gravel roads be discontinued; (2) that the use of Calcium Chloride as a dust layer on gravel highways, "with the present Maintenance programme, be adopted until a better or cheaper substance is available or until the programme is changed"; (3) that as the oil dust layers being used were not satisfactory, there should be "further investigation with oil dust layers, if material of this kind is offered which will not produce the disadvantageous features found in the oils applied in the Board's experiments."

The Department during several years had been using Malagash salt in an experimental way in the manner advocated by the Malagash Salt Company. During 1931 the Salt Company suggested that a veneer consisting of a mixture of clay and salt might prove effective, and the Committee carried out an experiment with this. They were unable, however, to come to any definite conclusions with respect to this method of using Malagash salt, and recommended that further experiments be carried on. The Department after having further conferences with the Committee received the above report.

The Report of the Registrar of Motor Vehicles (C. St. C. Stayner), showed that for the calendar year, 1931, the revenue of the Motor Vehicle Branch amounted to $2,074,807, of which $884.90 was derived from the Gasoline Tax; $807,456 from the registration of passenger cars and $218,499 from the registration of commercial cars. Total expenditure was $104,342, of which $28,213 went to the maintenance of the Motor Cycle Corps. Motor vehicle registrations were: passenger cars, 36,431; commercial cars, 6,761; motor-cycles, 386; tractors, 180; total, 43,758, an increase of 729 over 1930. New cars registered numbered 6,130, as against 7,540 in 1930. An Act to Amend and Consolidate Chap. 2 of the Acts of 1928, "the Motor Vehicle Act," was enacted in 1932. (See Legislation of the Session).

Health and Humane and Penal Institutions. The Report of the Department of Health (Hon. George H. Murphy, M.D., Minister) for the fiscal year ended Sept. 30, 1931, was the first issued under the newly established Ministry of Health; the Department had previously been administered under Agriculture and Public Works. During the year the field organization was enlarged, a new anti-tuberculosis programme launched, cancer studied and a Provincial Public Health nursing service was receiving serious consideration. There were 6,206 deaths recorded for 1930 and 11,611 births. Scarlet fever was the cause of 27 deaths in that year; typhoid fever, 12; influenza, 124; and cancer, 558. A free treatment clinic was opened during the year bringing the total number to six. Marriages registered during the calendar year numbered 3,451.

Admission to Humane Institutions during the year ended Sept. 30, 1931, numbered 21,432.

According to the Report of the Inspector of Humane and Penal Institutions (T. Ives Byrne, M.D.) for the year ended Sept. 30, 1931, there were 4,853 commitments to goals during the year. The Report notably called attention

to conditions in the goals: it claimed that the buildings themselves were obsolete in type, and were overcrowded. The existing enforced idleness was condemned, also the fairly general insufficiency of guards in the goals, which precluded the taking of air and exercise by the prisoners as called for in the regulations. The Report ended with a plea for the prescribing of legal standards in the Province as a base for the goal system, and recommended that a Royal Commission be appointed "to examine into every phase of goal conditions throughout the entire Province, and that after careful investigation and study, they submit recommendations from which the departments concerned could evolve uniform requirements; the latter, when approved by the Governor-in-Council, should become the Standard requirements throughout the Province."

On Nov. 19, 1931, the appointment of a Royal Commission by the Government was announced by Dr. T. Ives Byrne, "to investigate and report upon the whole gaol and prison system in the Province . . . This Commission will first report upon the Halifax County Jail, after which it will proceed in its wider functions of examining into present conditions throughout the entire Province." A recommendation to this effect had been made by Dr. G. H. Murphy, Minister of Health, earlier in the year. At June 30, 1932, the Inquiry had not been concluded.

Education. The Superintendent of Education (Henry F. Munro, LL.D.) in his Annual Report for the year ended July 31, 1931, stated that the total expenditure on education for the year amounted to $4,194,294, of which $1,012,681 represented Governmental expenditure, and $2,657,780, local. There were 3,231 schools (an increase of 40 over the previous year) in operation among 1,759 organized sections, with a total enrolment of 115,511 in Public Schools (an increase of 1,651); a professional or technical enrolment of 4,836; and a university-grade enrolment of over 2,200. There were 3,484 teachers, an increase of 36, in service; of these, 2,287 were normal-trained and 303 were university graduates. The Report indicated a steady improvement in the professional and academical qualifications of the teachers and it urged reforms in organization of the system of school finance.

Dalhousie University, Halifax. The number of students enrolled for the session 1931-32 was 1,015. Changes on the academic staff during the year were: the retirement of A. Stanley Mackenzie, B.A., PH.D., D.C.L., LL.D., F.R.S.C., President of the University; Archibald MacMechan, B.A., PH.D., LL.D., F.R.S.C.; George Munroe Professor of English Language and Literature and Head of the Department; Ernest Martin, *Agrégé d'anglais, Interim* Professor and Head of the Department of French; D. S. MacIntosh, B.A., M.SC., Assistant Professor of Geology; L. L. Dufau, *Lic. es Létt., Dip. d'Et. Sup.*, Assistant Professor of French (King's); John Stewart, C.B.E., M.B., C.M., LL.D., F.R.C.S., Professor of Surgery and Dean of the Faculty; W. H. Hattie, M.D., C.M., F.R.C.P., Professor of Hygiene and Public Health and of Mental Diseases, and Assistant Dean of the Faculty of Medicine (died during the session); E. V. Hogan, C.B.E., B.A., M.D., C.M., M.R.C.S., L.R.C.P., F.R.C.S., Professor of Surgery and Clinical Surgery; W. B. Almon, M.D., C.M., F.R.C.S., Associate Professor of Obstetrics; A. W. Cogswell, M.D., C.M., D.D.S., Professor of Dental Pathology and Therapeutics (died during the session); J. F. Griffin, D.D.S., Demonstrator in the Adult Clinic. Appointments were: Carleton W. Stanley, B.A., M.A., President of the University; D. C. Harvey, B.A., M.A., F.R.S.C., Archivist of the Public Archives of Nova Scotia, Special Lecturer in Canadian History; G. V. Douglas, M.C., M.SC., B.SC., F.G.S., Professor (elect) in Geology; J. B. Martin, M.A., PH.D., Assistant Professor of English (King's); E. Mabel Mason, M.A., PH.D., Assistant Professor (elect) in French (King's); Dixie Pelluet, PH.D., Lecturer in Biology; Lionel Pearson, B.A., Lecturer (elect) in Classics; H. A. Weir, B.A., James Gordon MacGregor Memorial Fellow in Physics; J. T. MacQuarrie, B.COM., LL.D., Lecturer in Law; H. G. Grant, M.D., C.M., M.R.C.S., L.R.C.P., Professor (elect) of Public Health and Dean (elect) of the Faculty of Medicine; A. L. Murphy, M.D., C.M., Demonstrator in Clinical Surgery; A. B. Haver-

stock, D.D.S., B.SC., Demonstrator in Pre-School Age Clinic; S. K. Oldfield, D.D.S., Demonstrator in the Adult Clinic.

The event of importance was the installation on Oct. 9, 1931, of the new President, Carleton Wesley Stanley, M.A., (Oxon), in succession to Dr. A. Stanley Mackenzie who had retired after holding office for 20 years. Other events were: the designation of two of the Chairs in the Law School, the first in memory of R. C. Weldon (deceased) founder and first Dean, the holder of the Chair to be known as the "Weldon Professor of Law," the second. in honour of the Hon. Benjamin Russell, colleague of Dean Weldon since the beginning of the Law School, to be called the "Russell Chair in Law;" and the opening of the new gymnasium, the corner stone of which was officially laid on Nov. 10. Gifts to the value of $23,780 were received. Rt. Hon. R. B. Bennett, Prime Minister of Canada, made a contribution of $500 in connection with the Bennett Collection in the Law School Library, which he had established in 1922.

Acadia University, Wolfville. The enrolment of full-time University students for the 1931-32 session, was 487; that of special students in Music, Art, etc., 178; making a total enrolment of 665. Two temporary appointments to the staff were made during the Session: that of R. W. Whidden, M.A., in the Department of English to replace Prof. H. Scott Thomas, who, on leave of absence, was taking advanced studies at Johns Hopkins University; and that of C. P. Wright, M.A., in the Department of History, to replace Prof. R. S. Longley, who was also on leave for the same purpose.

Honorary Degrees were conferred at the Annual Convocation, May 25, 1932, as follows: Doctor of Divinity (D.D.)——Rev. Albert MacKenzie Boggs, New York; Prof. William Norman Hutchins, Faculty of Theology of Acadia University; Rev. Thomas Sherrard Roy, Worcester, Mass.; Doctor of Science (D.SC.)——Prof. Laurie Davidson Cox, New York State College of Forestry, Syracuse, N.Y.; Doctor of Civil Law (D.C.L.)——Rt. Hon. Robert Laird Borden, Ottawa; Prof. Merritt Lyndon Fernald, Harvard University; and Willard Samuel Richardson, New York.

St. Francis Xavier University, Antigonish. The enrolment of students for the session 1931-32 was 296. The Annual Convocation was held May 11, 1932, with Rt. Rev. James Morrison, D.D., Chancellor, presiding. Addresses were delivered by Hon. Joseph A. Chisholm, Chief Justice of Nova Scotia, Hon. W. F. Carroll, Judge of the Supreme Court, Halifax, Mr. Alexander Johnston, formerly Deputy Minister of Marine and Fisheries, the Chancellor, and the President, Very Rev. H. P. MacPherson. The Honorary Degree of Doctor of Laws (LL.D.) was conferred upon Hon. Joseph A. Chisholm. The same day was marked by the solemn investiture of the President, who had been created Protonotary Apostolic with the title of Monsignor by His Holiness the Pope.

Liquor Commission; Power Commission. The Second Report submitted by the Nova Scotia Liquor Commission (W. B. Proctor, Chief Commissioner, and D. J. Buckley, Commissioner) covered the year ended Sept. 30, 1931. During the year 15 new stores were opened, making a total of 42 in operation. It was pointed out that the sale of spirits was decreasing, with proportionately large sales of beer and wine. 27,627 individual permits (resident) were in effect, 10,605 having been issued prior to Sept. 30, 1930, and 5,346 temporary individual permits (non-resident) were sold, making a total of 32,973 such permits in use. The profit and loss account showed sales of $4,956,808, a total profit of $1,056,276 and, after the deduction of statutory charges, a net balance of $728,940. 89.9 per cent. of the Commission's liquor purchases were made in Canada.

An "Act to amend Chapter 2 of the Acts of 1930, 'The Nova Scotia Liquor Control Act'" was passed Apr. 30, 1932. Among its provisions, several of which concerned sentences and fines, and the hearing of appeals, were: that nothing in the Act to be contrary, liquor "lawfully purchased from the Commission by any person may . . . be kept, had, given and consumed in his

residence;" that the Commission might prohibit any person from purchasing liquor at any Government store or shop, and that liquor "lawfully purchased" was authorized for use for sacramental purposes or in any religious ceremony.

The Twelfth Annual Report of the Nova Scotia Power Commission for the year ended Sept. 30, 1930, was submitted by Hon. J. F. Fraser, Chairman, and Robie Millard and F. R. Little, Commissioners. The retirement of W. B. Proctor, Feb. 6, 1931, from the Commission, and the appointment of F. R. Little in his place was announced. The total capital investment of the 6 Hydro-Electric Systems in operation, amounted to $13,236,551 as compared with $12,976,637 in the previous fiscal year; reserve accumulation, $1,083,665 as compared with $949,486; operations cost, $1,046,408 as compared with $902,-879; operations income, $1,055,505 as compared with $907,412. 151,685,552 kilowatt hours were delivered at an average cost of 0.689c. per kilowatt hour. It was stated that 22 Work Orders had been authorized during the year, the estimated cost of which was placed at $364,000.

The Province of Nova Scotia

(As at June 30, 1932)

Lieutenant-Governor ..... Hon. Walter H. Covert, K.C.

The Harrington Ministry (Conservative)

Prime Minister and Minister of Public Works and Mines ..... Col. the Hon. Gordon S. Harrington, K.C.
Attorney-General and Minister of Lands and Forests.. Hon. John Doull, K.C.
Provincial Secretary-Treasurer ..... Hon. J. Frederick Fraser
Minister of Highways ..... Hon. Percy Chapman Black
Minister of Agriculture ..... Hon. O. P. Goucher
Minister of Public Health ..... Hon. George H. Murphy, M.D., C.M.
Minister without Portfolio ..... Hon. Albert Parsons
Minister without Portfolio ..... Hon. Joseph MacDonald, K.C.

Speaker of the House of Assembly..... Hon. D. G. MacKenzie

Heads of the Administrative Services

Deputy Provincial Secretary and Clerk of the Executive Council ..... Arthur S. Barnstead, B.A., LL.B.
Deputy Provincial Treasurer ..... Robert Gordon
Deputy Minister of Public Works and Mines..... Norman McKenzie
Deputy Attorney-General ..... Frederick F. Mathers, K.C.
Deputy Minister of Agriculture ..... Col. Robert Innes
Deputy Minister of Public Health ..... T. Ives Byrne, M.D.
Director of Child Welfare ..... E. H. Blois

THE PROVINCE OF NEW BRUNSWICK

The Richards Government; Public Affairs in 1931-32

Hon. C. D. Richards, since his appointment as Prime Minister in May, 1931, in succession to Hon. J. B. M. Baxter, upon the latter's resignation and acceptance of a seat on the Supreme Court Bench of New Brunswick, had devoted much time to the consideration of unemployment relief in the Province. Outlining, in a statement to the Press (Aug. 19, 1931), the Government's policy for the Autumn and Winter months, he declared that construction work would be planned in the most needed areas and where a maximum of hand labour could be used, thus affording an opportunity for construction camps. He explained that the Government had forwarded to the Dominion Minister of Labour two reports with respect to the unemployment situation in the Province; one, based upon the results of certain *questionnaires* sent out to the officials of the various cities, towns and municipalities in the Province; and another, that set forth an estimate of those employed at the time, as well as an estimate of those likely to be unemployed on or about Nov. 1, with a statement as to areas where unemployment was expected to be most acute during the Autumn and Winter months. The New Brunswick section of the Trans-Canada Highway, the Prime Minister said, was unlike the Ontario route of the great highway, in that it would have little to offer in the way of employment, as the area consisted of settled country; the surfacing of roads, which could not be done efficiently except in the Summer months, would be practically the sole work to be derived from the Provincial end of the artery.

This statement was followed by an announcement that an Order-in-Council had been passed on Aug. 26, authorizing the Minister of Public Works to enter into an agreement with the Department of Labour at Ottawa in connection with unemployment relief in the Province and, two days later, the Provincial Minister explained the immediate putting into force of a Province-wide system of registration of all unemployed. As a result of the agreement between the Dominion and New Brunswick, under date of Sept. 29, a Provincial plan of expenditure was drawn up and forwarded to Ottawa for approval. As given out by the Prime Minister (Nov. 17) the total amount to be expended in the Province directly in connection with highway and bridge construction and public works generally, as well as work promoted in conjunction with various New Brunswick cities, towns and municipalities, was $1,986,455. The Province's share of the amount was $994,497; the Dominion Government's, $788,197, and the Municipalities', the balance. Legislation enacted

during the 1932 Session of the Legislature provided for Provincial relief expenditures and the passing of an Order-in-Council on Apr. 9 authorized the Minister of Agriculture to assist farmers in arranging for the purchasing of seed grain. Further plans were discussed at the Inter-Provincial Conference at Ottawa on Apr. 9, which was attended by the Prime Minister and two of his colleagues; and the following month (May 19) the Land Settlement Scheme for the Province was announced, which contemplated extending assistance, to an amount not exceeding $600 for each family, spread over a period of two years on a basis of equal proportions from the Dominion, the Province and the Municipalities. Hon. L. P. de W. Tilley, Minister of Lands and Mines, was named Chairman of the Advisory Committee of nine members who would direct the scheme.

With regard to New Brunswick financing, an issue of Debentures in an amount of $5,062,000, payable in Canada, was offered for sale by the Province early in January, 1932. The domestic loan for 20 years, carrying an interest rate of 5 per cent. and with a price of 97, had been organized on a plan similar to the National Service Loan, on behalf of which the Prime Minister of New Brunswick had delivered a radio address on Nov. 23, 1931. After the close of the 1932 Session, during which a balanced Budget had been announced by the Provincial Secretary-Treasurer (Hon. A. J. Leger), the Prime Minister stated (Apr. 27) that an issue of 30-year, 5 per cent. Sinking Fund Debentures to the value of £350,000 Sterling. or approximately $1,400,000, authorized by Order-in-Council, had been sold by the Province; and that the proceeds would "be used to refund a portion of the obligations of the Province in the form of Treasury Bills falling due in London, England, on May 23, 1932; and also to provide for permanent roads constructed in the Province during the previous year and for certain other developments undertaken by the New Brunswick Electric Power Commission." A reduction by Order-in-Council of automobile registration licence fees by 20 per cent., effective July 1, was announced in June, 1932, by Mr. Richards. The regular reduction of 50 per cent., starting Sept. 1, 1932, would be off the original rate and not from the rate which would go into effect in July.

The outstanding political affair of interest in the Province since June, 1931, was the Provincial By-Election in October, 1931, in the constituency of Gloucester. Dr. W. H. Coffyn (Conservative) was elected by a majority of 94 votes over F. T. B. Young (Liberal), 14,876 being the number of votes polled. For the first time since 1917, a Conservative would represent the constituency which would, in future, send three Opposition Members and one Conservative to the House. The campaign lasted for three weeks, and was one of the keenest held in the County, the Prime Minister (Hon. C. D. Richards) speaking on two occasions, one, before a gathering at Bathurst on Oct. 23 and another at Tracadie on the 24th. Mr. Richards also took an active part in the Federal By-Election in

Royal (King's-Queen's) on June 27, 1932, speaking on behalf of the Conservative candidate (Hon. George P. Jones) at Newcastle and again at Chipman on the following day.

An occasion of Provincial interest during the period under review was the formal opening of the new Normal School at Fredericton on Dec. 10, 1931, at which the Prime Minister spoke. Of importance to New Brunswick was the launching for her maiden trip, of the S.S. *Saint John* of the Eastern Steamships Line, Inc., built at a cost of $3,500,000 to run between Boston and Saint John, and in celebration of which a luncheon was given at the latter City, honoured by the Prime Minister, who addressed the gathering. Several functions were held to celebrate the opening, on June 9, 1932, of the Stewart Highway, built at a cost of $1,500,000, between Campbellton and St. Leonard. Mr. Richards spoke at St. Leonard, St. Quentin and Campbellton, in connection with the auspicious occasion.

At the Twenty-fifth Annual Convention of the Union of New Brunswick Municipalities, held in Edmundston, Aug. 25-26, 1931, resolutions passed at previous Conventions concerning the following, were reaffirmed: the right of the Municipalities to a share in the sum paid annually by the Canadian National Railways to the Province in *lieu* of taxes; the right of the Municipalities to tax the stocks and property of the Liquor Control Board; and the modification and improvement of the system of voting in use in the Province.

Commissions of Investigation. The Report of the Workmen's Compensation Commission was tabled in the House during the 1932 Session of the Legislature. The Commission, composed of Mr. Justice Grimmer of Saint John and George A. Stone of Moncton, had been appointed on Jan. 6, 1931, to inquire into Workmen's Compensation matters in the Province. In the main, the Report recommended a general reorganization of Workmen's Compensation Board Departments including elimination of over-staffing; separation from all political influences; revision of medical fees; and closer medical supervision and compulsory First Aid studies. Coincident with the tabling of the Report, the Prime Minister (Hon. C. D. Richards) introduced a Bill to Amend and Consolidate the Workmen's Compensation Act, so planned as to implement many of the Report's recommendations. Mr. Richards explained that the essential changes from the original Act were principally to try to correct some of the difficulties found in administration regarding, for example, a definition of average earnings, permanent or partial disability, rehabilitation payment to invalid children and mothers. There were no general changes in principle. The Act was passed on Apr. 1, 1932.

The Report of the Moncton Children's Home Investigation was made public on Nov. 2, 1931. The Inquiry had been authorized by the Executive Council on Mar. 26, 1931, on the recommendation of the Attorney-General. Alleged charges had been laid before the New Brunswick Government by the Loyal Orange Lodge, No. 62, Moncton, that: (1) general conditions of the Moncton Children's Home were bad; (2) that there had been misappropriation of funds by the Moncton Children's Aid Society; and (3) that there had been ill-treatment of the children in the Home by Miss Margaret Wilson, the Matron. The Investigation was opened by the Commissioner, R. P. Hartley, Deputy Attorney-General, on May 27, and was closed on June 22, 1932. In his Report Mr. Hartley stated, with regard to the first charge: that there was

plenty of evidence to show that general conditions in the Home had always been good during the time that Miss Wilson had been in charge; in answer to the second charge, he stated that the funds of the McDougall children and the funds of the McCarthy children (the two cases to which reference had been made) had been investigated and it was found that there were no grounds to substantiate the charges; and referring to the third charge the Commissioner stated, in part: "While I have exonerated Miss Wilson, I do it with some reluctance, because I feel that, while she is acquitted of the charge, yet she is open to some censure for the severity of the beatings administered in some cases." He believed that she had been invested with too much authority; that she should have been more closely supervised by the management of the Home in connection with the punishments imposed.

(The Report of the Commission into alleged payroll padding is contained in the Report of the Public Accounts Committee, under the heading: "Legislation;" and the Report of the Commission on Education will be found under "Education").

The 1932 Session of the Legislative Assembly

Owing to the absence in England of the Lieutenant-Governor, Hon. Hugh Havelock McLean, K.C., the Second Session of the Tenth Legislative Assembly of New Brunswick was opened on Feb. 25, 1932, by His Honour, Sir John Douglas Hazen, K.C.M.G., P.C., Administrator of the Government of the Province. Changes had occurred in the personnel of the Government and in the Members of the House since the Session of 1931. Hon. C. D. Richards, formerly Minister of Lands and Mines, was now Prime Minister, and Hon. L. P. de W. Tilley, transferred from the office of President of the Executive Council and Minister without Portfolio, held Mr. Richard's former place in the Cabinet, having been succeeded by the Member from Saint John City, Hon. W. Henry Harrison, K.C. Two new Government Members, elected during the Recess, were awaiting their introduction to the House. In the Speech from the Throne, reference was made to the information which would be placed before the Imperial Conference, to be held in Ottawa in July (1932), by the Provincial Government, relative to the basic Provincial industries of agriculture, lumbering and fishing. The Speech drew attention to the agricultural situation in New Brunswick; increased production during 1931, with a scarcity of markets and prevailing low prices for products; the establishment of a flour and starch factory in the County of Carleton; to the sending of a Provincial delegate to Great Britain to support the Canadian High Commissioner, and other representatives from Canada, in an appeal to have the British potato embargo lifted—an effort which proved unsuccessful. Other items referred to were: the uncertain state of the lumber industry, resulting in a considerable amount of unemployment in that direction, but a fair amount of activity in the pulp and paper industry, and a promising improvement in the long lumber industry; the continued improvement in Provincial highway development, notwithstanding the necessary curtailment of expenditures; the relief extended by the Provincial Government in co-operation with Federal and Municipal authorities to unemployment in both direct relief

and construction work; the increased tourist trade; the completion of the New Brunswick Electric Power Commission at Grand Lake, and of the Transmission lines to Fredericton and Moncton, and of the further plans of power development in the central part of the Province; the opening of the new Normal School; the Report of the Commission to inquire into Workmen's Compensation and the presentation to the House for consideration of measures embodying the recommendations of the Report; the expected Report of the Education Commission; the Report of the Investigation into the Accounts of certain highway supervisors and the enlarged deficit on current accounts caused by a decrease in revenue and extra expenditure for public services in the interests of the unemployment situation.

After R. A. McAllister (Con.), elected for the County of Saint John, had been presented by Hon. C. D. Richards (the Prime Minister) and H. Colby Smith (Con., Saint John Co.); and Dr. W. H. Coffyn, elected for the County of Gloucester, by Mr. Richards and Hon. Antoine J. Leger (Provincial Secretary-Treasurer), the Address-in-Reply to the Speech from the Throne was moved by G. H. I. Cockburn (Con., Charlotte) and seconded by Dr. W. H. Coffyn (Con., Gloucester).

The Debate on the Address was opened by A. A. Dysart (Leader of the Opposition), who drew attention to the humiliating position in which the Province had been recently placed "wherein the Federal Government on the one hand and certain banking institutions on the other, virtually picked this Province up from the very threshold of bankruptcy and placed her in a position where she could meet her obligations." Mr. Dysart claimed that, notwithstanding the various causes put forward as the reason for this situation, there was little doubt that the main cause was the unfortunate accumulation of debt by a Government with its resultant burdensome carrying charge; and he proceeded to trace the history of the Provincial Debt, claiming that "over 50 per cent. of the total revenue today is required to carry this load of debt." The Opposition Leader declared that the present was no time for further taxation but rather should an effort be made toward substantial savings in the several Departments of the Government, particularly Lands and Mines; and he suggested the making of an arrangement with the Federal Government wherein the Province might be policed by the Royal Canadian Mounted Police, thereby effecting a considerable yearly saving. He took exception to the policy adopted by the Government toward Vocational Schools—that an increase in the existing Government grant of $50,000 could not be made at the present time.

The Hon. Charles D. Richards (Prime Minister) resumed the Debate on the Address-in-Reply to the Speech from the Throne the following day. In repudiation that the Government was considered liable for the disturbing economic condition in the Province, he claimed, was the result of the recent By-Elections—an overwhelm-

ing indication of the confidence of the people. In speaking of the extension into the Province, to a limited extent, of the world-wide financial and economic crisis, with its accompanying closing of outside markets for nearly two years, the Prime Minister condemned the placing of blame on those in control of Governmental affairs. He denied that the Province was in a critical condition, and questioned the ethics adopted in the broadcasting of statements detrimental to the credit of New Brunswick, particularly when that Province stood, in its relation to other Provinces, in an eminently sound position. Mr. Richards stated that the Opposition Leader should have known that the Province did not get one dollar from the Dominion Treasury to help finance either the New York loans or other obligations; the Province had, in fact, $321,000 to its credit at Ottawa for unemployment relief funds. As to seeking assistance from the bankers, where else would one go to get money; and, he stated, when the Government did secure from the banks a domestic loan of $5,000,000, the bonds were placed in the market and in less than two weeks "were all sold, and not to speculators and large buyers, but to the actual present holders." Mr. Richards gave proof of the efforts of the Government to keep expenses of Departmental services to a minimum: the Capital Expenditure was only about 50 per cent. of the preceding year; and the Ordinary Expenditure was considerably reduced. He stated that the question of turning over the administration of the Provincial Police Force to the Royal Canadian Mounted Police would not be done from a motive of economy but, if it ever were contemplated, it would be done on the broader policy or principle of what would be the best for the interests of the Province. As to vocational schools, Mr. Richards gave an explanation of the working of the Provincial Act and told of the postponed putting into force of the Federal Act in connection with Vocational Education and of the decision of the Provincial Government that, owing to economic conditions, no enlargement of the Provincial grant would be made at the present time. The Prime Minister described the efforts of the Government on behalf of unemployment; the introduction of a system of registration so excellent that a similar plan was adopted at Ottawa; the provision in the Province of nearly $1,909,000 for unemployment relief work—$749,000 contributed by the Dominion Government; $955,000 by the Province and $217,000 by the Municipalities. During the period up to and including Dec. 31, 1931, the number given employment was 26,796. Concluding, Mr. Richards stated that the Government was determined to carry on the Administration prudently and to maintain the high standing of the Province, and he called upon Members of the House to adopt the Address-in-Reply to the Speech from the Throne. On the question being put, it was carried without division.

A Balanced Budget; Public Accounts. In presenting his seventh successive Budget to the Legislature on Mar. 8, 1932, Hon. Antoine J. Leger,

Provincial Secretary-Treasurer of New Brunswick, stated that just at the time when the Province had hoped to reap the benefits of a progressive administration "we were seized by a world-wide depression which affected our revenues and necessitated premature expenditures of Provincial moneys to meet unemployment conditions engendered by industrial depression." The Secretary-Treasurer condemned the utterance, whether for political purposes or otherwise, of discouraging statements, which created a spirit of unrest that was not only prejudicial to the best interests of the Province, in that it lessened the forces which were at work to bring about stability in business, but it also retarded efforts at readjustment. Continuing, he said that the Province was passing through a period of re-adaption. The long lumber industry, which heretofore had made the prosperity of the Province, had been, for a number of years, steadily declining, due, "not so much to the destruction of the standing timber or the greater distance of travel to get logs of large size —although both factors increase the cost of production—but, principally, to the new competition of British Columbia resultant from the opening of the Panama Canal." There was also the competition across the Atlantic, of lumber from countries where cheaper labour and other necessities, engendered by the existing economic conditions, made it possible to undersell the products of New Brunswick. "This is our situation. The Provincial Revenues derived from the resources of the forests must be replaced. The people who, in the past, have been engaged in all the different activities of this industry, must be provided with work and must adjust themselves to a changed condition. To this relief, the pulp and paper industry will materially assist." While waiting for improvement in other industries which would require capital, Mr. Leger declared that attention would have to be directed to the land. The policy of spending a portion of relief money to help agriculture; to promote colonization; to render possible re-occupation of abandoned Provincial farms would, he believed, materially reduce the acute unemployment problem. The Government had already created a bonus policy for the clearing and culture of land and in this way in 1932 at least $45,000 would be paid to the farmers. Marked improvement in agricultural conditions was already noted. It was estimated in September, 1931, that 1,000,000 tons of hay would be produced and 35,000 barrels of apples, a 25 per cent. increase in the crop. Mr. Leger claimed that with pressure, still better results could be obtained and that it lay in the hands of each farmer to study his individual farm problems.

Proceeding to the consideration of the General Statement for the fiscal year ended Oct. 31, 1931, the Provincial Secretary drew attention to the fact that when, in the previous Budget, an Estimated Deficit of only $437,873 had been given, the then apparent signs of improvement in the world-wide crisis had been counted on. The result of this improvement not having materialized, the Province had received only $5,980,914 in Revenue instead of the Estimated $6,302,821—a shortage of $321,916. Expenditures were, however, only overexpended by the amount of $20,726 more than estimated. "When it is considered that we had to extend unusual relief and that a certain amount of the Ordinary Expenditures are traceable to the relief of unemployment, it is proper to say that the financial result of this year is an evidence of continuous and increasing economy of administration. And, this economy has not been accomplished by the discontinuance of the Public Services, but, by the various systems of control practised by the Government. The result, therefore, which we have to announce, a result which is substantially better than the majority of the other Governments in Canada, is a total Ordinary Revenue of $5,980,914 and a total Ordinary Expenditure of $6,761,420 or a Deficit of $780,505 or $342,632 more than estimated, including the expenditure of $55,000, classified as exchange on coupons payable in New York Funds." After reviewing the several Departmental Expenditures, the Provincial Secretary-Treasurer drew attention to the net increase in Capital Debt of $3,958,073 and to the fact that $904,026 had been set aside from the Ordinary Revenues as a Sinking Fund.

Announcing the Estimates for 1931-32, Mr. Leger stated that as an improvement in the general economic situation was predicted, the Estimates of Revenue and Expenditure had been prepared to balance the Budget and in

order to do that, proposed new services would necessarily be postponed and all social and economic services, not absolutely essential to the economic welfare of the Province, would be restricted. Therefore, a reduction in the Ordinary Controllable Expenditures of $550,602 was anticipated, as compared with the previous year, or 22 per cent. less, including a reduction by graduation in the salaries of Cabinet Ministers, Members of the Legislature and down through all grades of the Service, leaving a total of Controllable Expenditure to be voted of $2,511,542. As more revenues would be required to make up the deficiency caused by the depression, the Gasoline Tax would be increased by two cents per gallon, the Corporation Tax would be amended to permit, for not more than two years, the increase of the tax on banks from one-thirtieth of one per cent. to one-tenth of one per cent.; upon all companies transacting any line of insurance included in Section 4 of the said Act, a special assessment of one-half of the tax imposed by said Section 4 of the said Act. The Succession Duty Act would be amended to provide an increase of 10 per cent. in the amount of duty payable. "With these and some other minor adjustments, in licence fees, the Government estimate an Aggregate Revenue of $6,789,456; and an Aggregate Expenditure of $6,786,859; or a Balanced Budget with a Surplus of $2,597.

Speaking of the Net Debt of the Province, $44,200,835, the Provincial Treasurer pointed out that the Province had Government-owned assets of over twice that amount; that one-half the revenues of the five main industries of the Province for one year would totally liquidate it; that the Provincial capital liability *per capita* was about six per cent. of the *per capita* wealth; and that for the increase in the Net Debt of $12,003,860 since 1925, the Government had increased the Sinking Funds by $3,481,333, or more than a quarter of the increased Debt.

J. E. Michaud (Lib., Madawaska), financial critic for the Opposition, attacked the optimistic presentation of the Provincial finances by the Provincial Secretary-Treasurer. He did not believe that the Provincial Gross Debt was offset by Assets valued at $93,200,000; nor that the Crown Lands were worth $60,000,000. He ventured to say that the latter were not worth half that amount. Therefore, the Province was faced with an increased Debt and decreased Assets. He thought the best way to gauge the Debt was the amount of interest to be paid: in 1925 the amount was $2.47 *per capita* and in 1932 it was $3.95. The situation gave cause for alarm. The people of the Province, apart from the present depression, had not the same purchasing ability that they had had some years before and he drew attention to the condition of the basic industries of the Province; attacking the Government's policies with regard to colonization and the return of the people to the soil. Continuing, Mr. Michaud criticized the Government for not following the advice of the Opposition, to bonus men going on Crown Lands rather than to men already established on cleared lands, adding that they (the Government) might be planning to do so, but it was too late; and he claimed that grave abuse had been the trouble in the Expenditures of the Public Works Department. With regard to the Budget Mr. Michaud declared that it was not based on a sound principle of economy. The Government proposed to reduce the Expenditures by half a million dollars on the one hand and on the other, to increase the taxes by the same amount; this was simply adding to an already unbearable burden on the people. It was claimed that the Budget was balanced but the revenue which was anticipated might not be realized. In closing, he said that in view of the attitude taken by the Government in not balancing the Budget and in adding an unnecessary burden on the tax-payer and to show the attitude of the Opposition he would move, seconded by Mr. Dysart, the following Amendment to the Supply Motion: "That all the words following the word 'that' in the main motion be struck out, and the following substituted therefor —This House while willing to grant Supply to His Majesty, (a) regrets that the Government has failed to live up to its promise of economy and retrenchment, (b) regrets the increase of the Net Debt of the Province by four millions of dollars during the last fiscal year, (c) regrets that the Government has to resort to the imposition of half a million dollars of additional

taxes at a time when the people's capacity to pay is already taxed to the limit, and at a time when those who have to bear the burden of such taxes are unable to raise money to meet their existing obligations."

Many other Members took part in the two weeks' Debate; Mr. Dysart spoke on the 17th and Mr. Stewart on the 18th and 22nd, the latter's address concluding the Debate, when the Amendment to the Motion to go into Supply was then put to the House and, upon a vote, was declared lost 12 to 28 and the original Motion that the House resolve itself into Committee of Supply was carried by the same vote reversed.

A. A. Dysart (Lib., Kent), speaking on Mar. 17, expressed the hope that the anticipations of the Government regarding the finances of the Province would be realized. He claimed the right of the Opposition to criticize the financial transactions of the Government, without being taken to task for doing so. While the Government, he stated, had expended $25,000,000 during the previous two years, an effort was being made to have people believe that there had been only a small increase in the Public Debt; that the net carrying charge was in the vicinity of $2,000,000; but the fact of the matter was that the obligations of the Province for Interest and Sinking Funds now amounted to $3,520,000, which was 51 per cent. of the entire Revenue. Referring to the proposed Gasoline Tax, Mr. Dysart suggested that a tax on luxuries such as liquor, would have been preferable. With regard to vocational education, while a limit of $50,000 for the Province was incorporated in an Act of the Legislature, he claimed that when conditions improved the Province would be justified in making a further contribution.

Hon. D. A. Stewart (Minister of Public Works), answering (Mar. 18 and 22) the statements of the Opposition speakers that the Government had nothing to show for what they (the Opposition) claimed was a large addition to the Debt, pointed out a few items: New Brunswick Electric Power Commission, $2,292,817; Permanent Bridges, $2,227,347; Permanent Roads, $18,741,457; Provincial Hospital, $1,133,467; Provincial Buildings, $130,000; Jordan Men's Sanatorium, $20,000; University of New Brunswick, $419,000; Provincial Museum, $74,000; Normal School, $468,832; British Family Little Mint Loans, $784,000. Continuing, Mr. Stewart defended the policies of his Department, stating that Hon. P. J. Veniot's (ex-Postmaster-General) statements in the House of Commons regarding work in Gloucester County in the Autumn of 1931, had been substantially proven to be incorrect. (See *Hansard*, Mar. 21, 1932, for Mr. Veniot's refutation). He stated that the Leader of the Opposition had criticized the Government for helping the British Canadian Packing Company—a project that had been undertaken by the previous Administration against the advice of everyone who knew anything about the situation; that the Government had permitted the sale of stock in the Company throughout the Province by high-pressure salesmen. The present Government, after taking office, had undertaken, "at the instance of a superhuman gentleman from the City of Saint John," to try and save the institution for the people who had been persuaded to put their money in the venture. That gentleman had assured the Government that, in his opinion, if assistance was given and the business properly managed that there need be no loss to anyone. The Government had guaranteed the Company's account in the bank up to $100,000, and where did the money go, not to the banks, as the Leader of the Opposition stated, but to the people of the country.

The Public Accounts Committee; the Hartley Commission Report. The Report of the Public Accounts Committee was presented to the Legislature on Apr. 1, 1932. It contained the Report of the investigation by the Deputy Attorney-General, R. P. Hartley (Commissioner) into alleged payroll padding by road supervisors employed by the Department of Public Works. This Inquiry had been the outcome of certain charges made by J. E. Michaud (Lib., Madawaska) during the 1931 Session. The Public Accounts Committee, in presenting the Report of the Commission, expressed

the belief that the system put into effect by the Comptroller-General (who had under his control all the expenditures) and by the Department in the early Spring of 1931 and of which Mr. Hartley had no notice, was efficient and would prevent a recurrence of the facts mentioned in the Report. It was stated by the Committee that nothing had been found in the examination of payrolls covering the Counties of Albert and Restigouche to indicate that money had not been well spent. Examination of invoices covering the shipments of cedar from the County of Restigouche to the Counties of King's, Albert, Westmorland and Madawaska, indicated that a fair price had been charged and, as the work had been carried on as a means of unemployment relief, the Minister of Public Works, the Report stated, was to be commended. As to the question of lands purchased for a right-of-way by reason of the construction of the Big Shiktehawk Bridge at Bristol, in the County of Carleton, it was brought out, by evidence, that the regular course of procedure had been followed.

The Report of the Commissioner produced facts showing loss of money to the Province: four supervisors were proven guilty of theft; others showed irregularities in payrolls, but as there was apparently no intention of wrongdoing, it was suggested that they be exonerated; others who showed irregularities due, to a large extent, to their being illiterate, should be severely censured, it was stated; and that restitution should be made in certain specific instances, was the advice of the Commissioner. He recommended, also, a change of policy in the handling of expenditures in the Department.

The Public Accounts Committee reported with regard to the Funded Debt of the Province, that necessary taxation for revenue must keep pace and that, if the existing policy in force was continued, there was nothing to fear for the future. It was believed by the Committee that any recovery in the pulp, paper and long lumber industry would immediately augment the income of the Province, now suffering from low stumpage receipts. In the meantime, it was advised that prudence in expenditures, as far as was consisent with conservation, should be the policy of the Department. It was suggested by the Committee that the advertising of the various Departments should be grouped under the heading of Provincial Information and Tourist Travel. Satisfaction was expressed at the New Brunswick Electric Power Commission's being a self-supporting entity.

In addition to the Maritime Trade Commission Service, the Public Accounts Committee recommended co-ordination on the part of the Department of Agriculture during the year 1932 in an effort to supply the Provincial Market with Provincial products, in order that the millions of dollars at present spent in the importation of pork, beef, butter, eggs, oats, fruits and other products, might revert to the Province. Attention was drawn to the small assistance given to the fox industry in New Brunswick, and a warning was uttered not to let a similar condition to that in Prince Edward Island, where appalling losses were occurring, take place in New Brunswick.

Mr. Michaud (Lib., Madawaska) claimed that Members of the Committee, who sat in Opposition, had not concurred to the Report because (1) the reference to the cedar transactions of the Department of Public Works was not borne out by the evidence, and (2) a reference to agriculture and markets had not been considered by the Committee. The Motion to adopt the Report was passed on division, 27 to 13.

Legislation of the 1932 Session; and Incidents. The Second Session of the Tenth Legislative Assembly of New Brunswick, which had opened on Feb. 25, 1932, came to an end on Apr. 1. On the preceding day estimates of the Department of Public Works came in for spirited debate from both sides of the House. Opposition criticism was levelled at the use of automobiles in the Department, J. E. Michaud (Lib., Madawaska) claiming that $100,000 *per annum* could be saved by their abolition and the amount expended on vocational education in the Province. Unemployment relief administration in the County of York was severely attacked by A. A. Dysart (Leader of the Opposition) and other Liberal Members. Strong and

spirited denial of the allegations was given by the Prime Minister (Hon. C. D. Richards) and the other Government Member from that constituency, Dr. B. H. Dougan; and the Minister of Public Works (Hon. D. A. Stewart) rallied to the defence of the administrative policy of his Department.

In addition to a number of private Acts and measures pertaining to Government financing and unemployment relief, important legislation had been enacted, including an Act to Consolidate and Amend the Workmen's Compensation Act; this embodied many of the recommendations contained in the Report of the Royal Commission of Investigation that had been presented to the House for consideration; and an Act to provide for assistance for distribution of electric power and light in rural districts. Other measures passed were Amendments to the Summary Convictions Act, to The Coroners' Act, to The Public Service Superannuation Act, to The Gasoline Tax Act, to The Fisheries Act, to The Game Act, to The Fire Prevention Acts, and to The Interpretation Act; an Act to facilitate the enforcement of The Intoxicating Liqour Act; an Act guaranteeing the Bonds of the New Brunswick Potato Products, Limited, and providing for their payment; provision for a Temporary Reduction of 10 per cent. in Sessional Indemnities and in Salaries of Members of the Executive Council; an Act conferring certain powers upon the Lieutenant-Governor-in-Council with respect to Insurance in the event of the Dominion Insurance Act ceasing by virtue of a recent Privy Council decision; an Amendment to the Corporations Tax Act, providing for the issuance of certificates at a cost of $5 to salesmen representing companies or individuals not paying the Corporation Tax; an Amendment to the Corporations Tax Act which imposed special temporary taxation on banks and certain companies; provision for bringing Reciprocal Insurance Associations under the Act for taxation; an Act relating to the Canning of Fish; an Amendment to the 1927 Act respecting the Farm Settlement Board; provision for the deduction of $100.00 *per annum* from July 1, 1932, from the minimum salary of school teachers in the case of the 3 classes of school districts: an Amendment to "The Judicature Act" of 1927; an Amendment to the Act of 1927 respecting Certain Expenses in Criminal Prosecutions; an Amendment to the Public Utilities Act, which provided against any doubt being held about the Act not applying to the New Brunswick Electric Power Commission; an Amendment to the Motor Vehicle Act providing for proper lighting facilities in motor vehicles and responsibility of drivers and licensees of cars.

Of interest was the legislation of the Session which provided for the transfer of the duties of the Provincial Police to the Royal Canadian Mounted Police, said change to take place on Apr. 1, 1932. Captain E. C. P. Salt, who had been Commissioner of the Provincial Police since the resignation of Brigadier-General F. W. Hill, C.B., C.M.G., on Jan. 1, 1932, was made Superintendent of the New Brunswick division of the Royal Canadian Mounted Police. Captain Salt had been originally the first Commissioner of the Provincial Police previous to Brigadier-General Hill's appointment.

The appointment of H. Lester Smith as Clerk of the Executive Council, in succession to Miles B. Dixon, K.C., who had resigned after 14 years of service, was announced some time previous to the opening of the 1932 Session.

Departmental Reports; Agriculture

The Annual Report of the Department of Agriculture (Minister, Hon. Lewis Smith) for the year ended Oct. 31, 1931, stated that an exceptionally large crop of hay had been produced and that the acreage of potatoes showed an increase over the previous year. The retrogression indicated in the principal crops except potatoes in the following table supplied by the Dominion Bureau of Statistics is, according to the Report, owing to the fact that the acreages of 1931 were compiled from the statistics of the decennial Census, production at the time of the 1921 Census having been based upon 36,665 farms, and for 1923 and to 1931 the estimate was for 25,920 farms:—

	1930			1931		
	Acres	Yield per Acre Bush.	Total Yield Bush.	Acres	Yield per Acre Bush.	Total Yield Bush.
Wheat	9,900	18.8	186,000	7,673	18.5	142,000
Oats	233,000	32.5	7,246,000	216,516	31.0	6,718,000
Barley	10,800	29.7	320,000	9,845	28.9	284,600
Beans	1,860	19.6	36,000	826	18.2	15,000
Buckwheat	45,200	28.6	1,293,000	41,637	17.2	714,000
Mixed Grains	4,000	38.6	154,000	1,938	28.8	56,000
		Cwt.	Cwt.		Cwt.	Cwt.
Potatoes	48,000	121.9	5,853,000	59,263	107.0	6,341,000
Turnips	13,600	220.0	2,992,000	8,898	247.0	2,198,000
		Tons	Tons		Tons	Tons
Hay and Clover	549,200	1.49	818,000	457,571	1.66	760,000

Live stock Census estimates were: horses, 48,600 (1930, 49,882); cattle, 234,000 (1930, 228,964); sheep, 159,700 (1930, 153,315); swine, 79,600 (1930, 67,318); poultry, 1,109,100 (1930, 1,087,345). A bonus payment offered to settlers for the clearing of land and its first plowing by an Order-in-Council of Nov. 25, 1930, was taken advantage of by a large number of settlers, chiefly by those living in the Northern Counties. The Live Stock division of the Provincial Agriculture Report stated that bonusing and the granting of premiums in the case of all stallions, bulls, rams and boars had continued. Efforts to eradicate bovine tuberculosis were further extended, 75,939 cattle having been tested, among which number 2,508 reactors were found. There were 44 Boys' and Girls' Calf Clubs—an increase of 7—with a total membership of 1,215. Ten Boys' and Girls' Swine Clubs, with a membership of 147, were organized and supervised.

In spite of a lower market price, production of creamery butter and ice cream for the year 1931 was the highest in the history of the Province, 2,415,992 lb. of butter being the result of the 21 plants in operation—an increase of 383,819 lb. over 1930—and 252,311 gal. of ice cream. Cheese was somewhat lower, showing a production of 496,261 lb.—a decrease of 110,631 lb., as compared with 1930. The total value of factory cheese production was $58,634, of butter, $603,551, and of ice cream, $334,071.

The year was marked by an unprecedentedly low price level in eggs, which was reflected in the receipts of the Maritime Co-operative Egg and Poultry Exchange. A poultry cannery operated by the latter proved fairly successful, and there was a 2 per cent. increase in numbers of poultry kept by poultry men. The blood testing carried on by the Division for the detection of pullorum continued during the year. Of 24,000 birds tested only 3.08 per cent. were found to be diseased, as compared with 8.8 per cent. in 1930.

The Soils and Crops Division reported the output of pulverized lime as being 13,056 tons, compared with 18,282 tons in 1930 and 12,853¼ tons in 1929. Seed, crop, root and green field competitions and pasture improvement demonstrations were held throughout the Province.

According to the Horticulture Division Report, apple trees of practically all ages wintered well. In spite of the bonus per tree offered by the Department there was a decrease in new orchard plantings. The apple crop amounted to 35,000 barrels, approximately the same as for the previous three years, with increased marketing in New Brunswick, largely owing to improved local transportation facilities. Prices returned to the growers were approximately $1 a barrel less than in 1930.

Under the Elementary Agricultural Education Division 15,651 projects of all kinds were carried out in the schools, an increase of 1,424 over 1930. 7,661 pupils were concerned with home plots and poultry projects, and 993 with school gardens. The number of districts taking projects increased by 11. There were 43 school fairs in which 104 schools took part, the aggregate attendance being 11,321, an increase of 241. Distribution of *The Rural Education Monthly* continued, and the Rural Science School for Teachers was

held in conjunction with the Summer School at Mount Allison University, Sackville.

The Superintendent of Industry and Immigration and Secretary of the Farm Settlement Board reported a total of 1,263 migrants to the Province, the smallest for a number of years owing to Canadian immigration restrictions. During the four years previous to Oct. 31, 1931, 360 families had entered under the British Family Settlement Act, the agreement being then suspended for a year, at the request of the British Government, owing to economic conditions. Hope was expressed, however, that arrangements made for the bringing in of more Scandinavian settlers during the following year would be successful. The Farm Settlement Board purchased, during the year, 70 farms at a cost of $103,000, most of which were sold to New Brunswick people. Accounts had been unsatisfactorily met owing to unfortunate agricultural conditions, $23,377 only having been collected from the occupants of the Board farms. Though "no appreciable progress" had been made in industrial and manufacturing conditions, it was stated that a feeling of confidence in the future was abroad. The research work of the Canadian Pacific Railway and the Canadian National Railways into the natural resources had been continued, and was regarded as a valuable contribution to the future development of the Province.

According to the Report of the Superintendent of Women's Institutes, 8 new branches were organized during the year, making a total of 143. The schools benefited, as usual, by the efforts of Institute members and child-welfare was also given a prominent place in their work. A noteworthy display was that at the Saint John and Fredericton Exhibitions. There were 14 district conventions, besides the Annual Convention, during the year. The 8th annual short course in Home Economics was held in Sussex, Mar. 4—Apr. 1, in which 23 pupils were enrolled for the full course.

The New Brunswick Farmers' and Dairymen's Association held their Fifty-sixth Annual Convention in Moncton, Jan. 19-21, 1932. Several resolutions were passed urging: that the Dominion and Provincial Governments do their best to assist farmers further in the existing emergency by reducing the cost of lime to Agricultural Societies, by assisting in the purchase of other materials necessary to production, by using every means which the Department of Agriculture might devise; that the Provincial Government adopt a scheme similar to that in use in a few other Provinces, whereby farmers would be enabled to obtain small loans from the banks; and that the Department of Agriculture allow their fieldmen to assist the members of Agricultural Societies in grouping and encouraging with a view to co-operative purchase of farm machinery. The Association also resolved to spend $200 on agricultural education, this sum to be divided, one-half for the English-speaking people and the other for the French-speaking. Carl Allen, Melrose, was elected President and A. J. Doucet, Notre Dame, Corresponding Secretary.

The New Brunswick Fruit Growers' Association held their Twenty-seventh Annual Meeting in Fredericton, Apr. 7, 1932. Among the several resolutions passed were the following: that at the Imperial Economic Conference the possibility of having Canadian fruit obtain a permanent preference on the British Market be given every consideration; that the Canadian Parliament make provision for the free entry of insecticides of British manufacture as a reciprocal acknowledgment of a preference on Canadian apples; and that the Provincial Government be asked "to urge upon the proposed Imperial Economic Conference at Ottawa, the importance of securing preferential tariff arrangements between the different parts of the Empire with the view of getting a wide distribution upon favourable terms of our horticultural products." The officers of the preceding year were retained: W. W. Hubbard, Burton, President, and A. G. Turney, Fredericton, Secretary-Treasurer.

Department of Lands and Mines; Game and Fish. The Seventy-first Annual Report of the Department of Lands and Mines (Min-

ister, Hon. Leonard P. D. de W. Tilley) for the fiscal year ended Oct. 31, 1931, stated that territorial revenue amounted to $655,452, which, though slightly above the estimated revenue was only a little more than half that received for the previous year—$1,074,493. This decrease was owing to the reduction in the amount received for stumpage. The amount of stumpage outstanding as of Oct. 31, 1931, however, was only one-third of that outstanding as of Oct. 31, 1930. Timber cut in the logging season of 1930-31 was 87 million feet of green timber and 17 million feet of fire-killed wood, the total of 104 million being slightly over the estimate of 90 million. 40,042 railway ties were cut from Crown Lands, as compared with 60,243 in the preceding year. The cut for 1931-32, including poles, pulpwood, railway ties, sawlogs, etc., was estimated at 105 million feet of green timber and 10 million of fire-killed pulpwood. This, less than half the normal cut from the Crown Lands of 250 million feet, indicated "the serious difficulty under which the forest industries are struggling." The reduction in stumpage of approximately $1 per thousand made in 1930-31 with the co-operation of the Federal Government, was continued for the season 1931-32 for the purpose of assisting in increasing employment by stimulating logging operations. 483,458 cords, or 241 million feet, of wood were manufactured in the pulp and paper mills during 1931. Of this amount 189,285 cords, or 94 million feet, were supplied from Crown Lands. The total amount manufactured was 73,900 cords, or 15 per cent. more than in the preceding year. Exported unmanufactured pulpwood amounted to 165,280 cords. The total amount of pulpwood manufactured or exported in a raw state was 654,763 cords, 79,928 more than in 1930. There were strong indications of a "back-to-the-land" movement among New Brunswick people; inquiries had been received from other Provinces and from the United States as well. In all, 16,900 acres were allotted to settlers during the year, 81 grants of land being issued.

According to the Mining Report for 1931 (W. E. McMullen, Inspector of Mines and Mining Recorder) the coal mined was 155,353 tons, 86 per cent. of the amount in the preceding year. The power plant of the New Brunswick Power Commission had come into operation too late in the fiscal year to affect materially the quantity of coal supplied by its district. Gypsum production was 69,259 tons, about 14 per cent. less, owing to the position of the building trade, especially in the United States. Value of the natural gas produced by the New Brunswick Gas and Oil-fields was $129,341; the output, though less than that of the preceding year, showed a reduction of only about 5 per cent. from the preceding ten years' average. 94 prospecting and 54 mining licences were issued, 403 mining claims being recorded.

Following the Amendment to the Game Act prohibiting the sale of all game meat, the sale of resident moose licences fell from 10,204 in 1930 to 6,024 in 1931, the estimate showing 363 moose killed, as compared with 950 in 1930. Resident deer licences were 11,926, with an estimated kill of 9,090, compared to 10,860 licences and an estimated kill of 10,930 for 1930. Non-resident hunting licences sold numbered 478, as compared with 610 the previous season, a decrease attributed to financial conditions. A kill of 84 moose and 504 deer was reported. 628 guides' annual licences were issued in 1931 and on Apr. 1, an Act amending the Game Act was passed during the 1932 Session, tightening up the game laws of the Province.

Increasing popularity of the Restigouche River open water for fishing was reported; 186 salmon and 15 grilse, with a total weight of 3,057 lb., were taken and 2,905 boxes of salmon were expressed by sportsmen from the Kedgwick, Matapedia and Upsalquitch stations. Open angling waters were increased by 330 miles of main streams and 67 lakes. Special investigations of "conditions affecting the maintenance of the breeding stock of Eastern Salmon" were being continued by the Biological Board of Canada and others. As a result of petitions from the Shediac Board of Trade and from several fishermen's organizations in the vicinity, and after an investigation by G. H. Prince, Deputy Minister, the transfer of the oyster fisheries in the locality named was authorized by the Lieutenant-Governor-in-Council. 2,188 non-resident hunting and fishing licences were issued in 1931. There was an in-

crease of 124, or 8 per cent., in the number of non-resident fishermen and a decrease of 133, or 22 per cent., in the number of non-resident hunters; or altogether a decrease of only 9. The Fisheries Act, during the 1932 Session, was amended to include the provision that any person found guilty of violating fishing regulations or fishing without licence, as authorized, would be liable to a penalty of not less than $10 nor more than $50, with costs of prosecution.

The product of the fisheries of New Brunswick in 1931, according to the Advance Report of the Dominion Bureau of Statistics in co-operation with the Department of Fisheries, had a total value of $4,156,240, compared with $4,853,575 in 1930 and $5,935,635 in 1929. The lobster fishery, with product valued at $1,376,257, was first in order of value in 1931, the sardine fishery, with product valued at $837,210, second. The catch of fish of all kinds for the year amounted to 1,140,878 cwt., and the value to the fishermen, $2,006,785, compared with a catch of 1,244,824 cwt. and a value to the fishermen of $2,520,230 in 1930. Capital investment in the fisheries totalled $6,125,993, of which $3,890,629 represented the value of vessels, etc., engaged in primary operations and $2,235,364, the capital investment of fish canning and curing establishments; the total capital showed an increase of $198,350 over the preceding year. 165 establishments were in operation in 1931, compared with 162 in 1930; workers on vessels and boats numbered 12,764, and in the canning and curing establishments, 957.

Department of Public Works. The Seventy-seventh Annual Report of the Minister of Public Works (Hon. D. A. Stewart) covered the year ended Oct. 31, 1931. Total expenditure of the Department amounted to $5,002,714. Under the Dominion Unemployment Relief Act of 1930, a sum of $500,000 was allotted to the Province, of which $46,000 was to cover one-half of the reduction in stumpage, $75,000 for the Provincial Museum in Saint John and the balance ($372,218) was allotted to the various towns, cities and counties. $996,361 altogether was spent by the latter, of which $523,393 was the share of the Province. 20,000 workmen, with a total of 276,276 days' work during the Autumn of 1930 and the early part of 1931, benefited by the expenditure. In September, 1931, with the resumption of work under the Act, 10,726 men were employed for 447,674 hours, with a total expenditure of $185,634; and in October, 17,829 men for 825,880 hours, with a total expenditure of $325,540. Expenditures for highway improvement and maintenance were $4,006,000, or 47 per cent. less than those of the previous year, $7,508,000. The sum was divided as follows: Main trunk permanent roads, $1,572,516; secondary and branch permanent roads, $1,527,149; ordinary roads, $452,373; patrol roads, $389,224; and municipal roads, $65,088. On main trunk highways, exclusive of the Campbellton-St. Leonard highway, 13 miles were reconstructed under contract, 84 reconstructed by the forces of the Department and 212 miles greatly improved. On secondary trunk highways, 200 miles were reconstructed and 632 miles improved. On branch and by-roads, 258 miles were reconstructed and 582 improved. The mileage of the highway system of the Province was 11,822 miles, comprising 1,388 miles main trunk highways, 3,247 secondary trunk, and 7,187 branch roads. All main trunk highways and 1,624 miles of secondary trunk highways were under patrol. Ordinary bridge expenditure amounted to $262,503; permanent, $495,986; and the cost of painting steel bridges, $18,001.

Registration of motor vehicles in 1931 covered 29,223 cars; 3,948 trucks; 96 convertible trucks; 62 buses; 75 tractors; 654 trailers; 178 motorcycles; 45 hearses and 178 dealers' licences. The revenue derived therefrom amounted to $870,039, as compared with $878,437 in the previous year. Net receipts on account of Gasoline tax were $699,978, as compared with $661,007 in 1930.

Department of The Provincial Secretary. The Thirteenth Annual Report of the Workmen's Compensation Board covered the year ended Dec. 31, 1931. The Board at that time was composed of John A. Sinclair, Chairman, Frank C. Robinson, Vice-Chairman and Robert B. Irving,

Acting Commissioner. The total income for 1931 was estimated at $701,466, which, with the addition of the cumulative surplus from 1930 of $17,637, showed a net estimated income of $719,103. Estimated expenditure was shown as $518,393, leaving an estimated surplus of $200,710. The adjusted financial statement for 1930 was given as follows: net income, $680,462; actual income, after deducting cumulative deficit from 1929, $616,119, or a decrease of $2,603 between the net provisional and actual income; actual expenditure, $598,481; credit balance, after deduction of decrease in income of $2,603, and with the addition of the provisional credit balance of $4,252, amounted to $17,637. There were in 1930, 30 fatal accidents; 1 case of permanent total disability; 296 of permanent partial disability; 3,476 of temporary total disability; and 3,401 minor cases and of medical aid only; total, 7,204, as compared with 9,281 in 1929. Compensation cost for the year was $548,527, as compared with $628,547 in 1929. (After the above Report was issued the personnel of the Board became as follows: Eugene R. Steeves and Alexandre J. Doucet, Commissioners; John A. Sinclair, Chairman; R. B. Irving, Secretary and Accountant, and Dr. M. A. Oulton, Medical Officer).

The Annual Report of the New Brunswick Fire Prevention Board (M. B. Edwards, Saint John, Chairman) was tabled in the Legislature by the Provincial Secretary-Treasurer (Hon. A. J. Leger) on Mar. 2, 1932. Fire loss in the Province during 1931 amounted to $4,222,349, of which $1,696,870 was covered by insurance, the loss being heaviest in Saint John City, estimated at $2,926,793, of which $871,736 was covered by insurance. Fire traced to incendiarism caused loss of $53,721; fires from unknown origin caused loss of $3,337,217. A total of 38 fires resulted from lightning. Loss in the West Saint John Harbour blaze was placed at $2,741,881.

Forty-four public utilities reported to the Board of Commissioners of Public Utilities during the year ended Apr. 30, 1931. Various certificates and licences were issued under the Sale of Securities Act. The Board expressed their regret that the companies operating under Dominion charters were not within its jurisdiction, and recommended that the Provincial Government memorialize the Dominion Government to pass legislation bringing these companies under their jurisdiction.

The Motor Carrier Board held 11 meetings during the year ended Dec. 31, 1931, and granted 17 passenger franchises and 13 freight franchises. At the December meeting holders of freight franchises were notified that their franchise expired Jan. 1, 1932, pending the investigation of the transportation situation by the recently appointed Federal Commission.

Health and Vital Statistics. (Hon. Henry 1. Taylor, M.B., C.M., Minister). The Fourteenth Annual Report of the Chief Medical Officer for the year ending Oct. 31, 1931, was prepared by William Warwick, M.D., D.P.H., Chief Medical Officer, from Jan. 1, 1932, in succession to George G. Melvin, M.D., D.P.H., L.M.C.C., retired on superannuation. It was reported that the laboratory in its new quarters in the Saint John Hospital showed a considerable increase in the work accomplished during the year. The mortality rate from tuberculosis, though showing a decidedly downward trend from 1923, was slightly higher for the 1930-31 fiscal year than for 1929-30; the tentative rate for 1931 was, however, lower than for many years. There was no smallpox, and scarlet fever showed a decline both in cases and in the death-rate. Deaths from diphtheria were the same as the preceding year, with fewer cases. There were only 100 cases of typhoid with 13 deaths, a rate of 3.1 per 100,000 population, figures which were the best on record for the Province, and only 3 cases of infantile paralysis with one death were reported. For the school year ended June, 1931, there were 275 schools closed or not inspected for various reasons, compared with 525 during the previous year. 63,601 pupils were examined, or 17 per cent. more than in 1929-30.

For 1930, the latest year of complete compilation, births numbered 10,534, or 24.9 per 1,000 of population, a slight increase over the previous two years. Marriages showed a decline from 7.4 to 6.5 in rate, numbering 2,761. Deaths declined to a new low level of 11.8 per 1,000 population, as compared

with 12.5 in 1929, and amounted to 4,991. The principal causes of death, in order of importance, were diseases of the heart, pneumonia, tuberculosis, old age and cancer. Automobile accidents continued to show an increase, the rate being 17.0 per 1,000 population, as compared with 11.2 in 1929.

Electric Power; Liquor Control; and Police. The New Brunswick Electric Power Commission was composed in 1931 of E. A. Reilly, Chairman; J. D. Palmer, Vice-Chairman; F. J. Robidoux, Commissioner and Louise L. Glennie, Secretary. The Twelfth Annual Report for the year ended Oct. 31, 1931, showed that during the year 82 miles of rural distribution lines had been added to the Southern System, making a total of 482 miles of such lines, in addition to 235 miles of high voltage transmission lines. On Oct. 31, the number of direct customers was 4,273 in villages and rural districts, a gain of 553 over the previous year. Through retail distributing agencies 18,011 customers were served by power from the Commission's system, which had 22,284 metres connected to its sources of power, or 54 per cent. of all the waters of the Province. Power used in the Southern system was derived as follows: from the Musquash Plant, 16,739,200 k.w.h.; and from the N.B. Power Co. Plant, 11,937,100 k.w.h. The new pulverized fuel plant at Grand Lake was placed in operation Sept. 1, 1931, and supplied 609,440 k.w.h. for Fredericton and 263,600 k.w.h. for Marysville up to Oct. 31. Total plant investment stood at $6,005,378.22, an increase of $1,740,852.40, including the Grand Lake Plant, transmission lines to Fredericton and Marysville and to Moncton, together with rural extensions. The Southern system showed a gross revenue of $510,719.10; operating expenses, $430,752.01; surplus, $8,581.99. The Northern system had a gross revenue of $28,435.60; operating expenses were $32,835.12; deficit, after providing all reserves, $8,409.27. The service on the high voltage system was free from serious accidental interruptions, though several arranged ones were necessitated in connecting the Southern system with the new power plant.

The Fourth Annual Report of the New Brunswick Liquor Control Board for the fiscal year ended Oct. 31, 1931, showed a decrease in sales compared to the previous year of $1,025,899, analyzed as follows: in 1930, alcohol, spirits, wine and beer sales amounted to $59,916, $3,092,230, $389,306.64, $1,267,825 respectively; in 1931, the sales for each were $29,843, $2,372,432, $270,504, and $1,110,599 respectively. Net profit for the year was $1,220,065. The Report again noted many cases of illegal sale, said to be due to extreme poverty and the need, on the part of those accused, to make money. Measures had been taken to curtail the issuing of permits for the brewing of beer which inclined to ferment after bottling, and to restrict the sale of lemon extract and Jamaica ginger which, in some sections, were being sold as a beverage. Legislation, effecting territorial restriction, was passed at the 1932 Session, enabling the Board to place limitations upon the sale of extracts, such possibly involving the size of the bottle, and if necessary, requiring the record of sale. The restriction was to apply to the entire Province, or a county, or a parish, as the Board might deem best. The only other important legislation was under Section 115 of the Intoxicating Liquor Act, giving the Board power to grant leniency under special conditions, and to parole prisoners.

According to the Report of the Commissioner of the New Brunswick Provincial Police Force for the year, the strength of the force on Dec. 31, 1931, stood at 6 officers and 56 non-commissioned officers and men, exclusive of 1 special constable and 4 female stenographers, a total of 67, as compared with 75 at the end of the preceding year. Transports on charge at the end of 1931 consisted of 44 motor cars, 2 motorcycles and 1 bicycle, and the total miles covered by transports during the year was 727,176. The number of investigations made by the Force totalled 8,538, of which 70 concerned accidental deaths, and 448 automobile accidents. There were fewer convictions under the Intoxicating Liquor Act, as compared with the previous year, though there were many more forfeitures and seizures. Fines collected during the year amounted to $23,499, as compared with $17,481. Net cost of maintaining the Force was $174,208. The installation of wireless communi-

cation between Headquarters and Districts and the application of the Civil Service Pension Act to the Force were recommended by the Commissioner, Brig.-Gen. F. W. Hill, C.B., C.M.G., D.S.O., V.D. On Dec. 3, Brig.-Gen. Hill resigned as Commissioner and was succeeded by Capt. E. C. P. Salt. (See "Legislation" for an account of the subsequent taking over of the Police Force by the Royal Canadian Mounted Police).

Education. The Annual Report of the Schools of New Brunswick for the year 1930-31 was submitted by A. S. McFarlane, M.A., LL.D., Chief Superintendent of Education, who entered upon his duties on Mar. 1, 1931, following the death of W. S. Carter, D.C.L., former Chief Superintendent, on Jan. 7, 1931. A few changes were made in the curriculum by the Board of Education. The new Normal School was formally opened on Dec. 10, 1930, when Hon. C. D. Richards, LL.D., K.C., Provincial Prime Minister and others, gave addresses. At June, 1931, 2,465 schools were being conducted, with 2,708 teachers; 82,412 pupils were enrolled, as compared with 80,454 the previous year. The proportion of the population at school during the second term was 1 in 4.60, and the percentage of attendance for the term, 76.83. The grand total number of days made by pupils was 7,917,528½, an increase of 668,366½ over the preceding year. High school students in all schools numbered 4,213, as compared with 3,947 in 1929-30. $511,849.91 was disbursed by the Education office during the year for public school services. Annual grants to the teachers amounted to $337,265.35, and the County fund was $228,267.96.

The Thirteenth Annual Report of the New Brunswick Vocational Education Board showed an increase of 15 per cent. in day enrolments and a slight increase in evening classes in 1930-31. Total attendance for the year was 2,556. Expenditures of the Board amounted to $108,670, and grants to local boards were: to Campbellton, $9,043; Carleton County, $6,786; Edmundston, $10,271; Fredericton, $8,905; Marysville, $202; Milltown, $1,916; McAdam, $5,697; Moncton, $686; Newcastle, $4,638; Saint John, $38,719.

On Mar. 1, 1932, the Commission on Education appointed to investigate the Educational system of the Province, presented its Report to the Prime Minister (Hon. C. D. Richards). The Commission, including A. S. McFarlane, M.A., LL.D., Chief Superintendent of Education, Chairman; Cecil C. Jones, M.A., PH.D., LL.D., President of the University of New Brunswick; George J. Trueman, M.A., PH.D., President of Mount Allison University; Rev. H. A. Vanier, C.S.C., President of St. Joseph's University, and others, had been appointed by Order-in-Council, May 15, 1931, to consider primarily: "(a) the administration in co-operation with (i) common school (ii) agricultural and (iii) vocational education; (b) the method of raising money for the support of schools, together with the area of school districts, with a view to approximate equalization of school rates and especially to giving greater assistance to poor districts: (c) the regulation of all branches of education in common, agricultural schools, vocational schools and the universities in the Province; (d) such other subjects in relation thereto as the Council shall deem cognate to the inquiry." The main recommendations of the Commission were as follows: first, that the four units of the educational system—— the academic, vocational, agricultural, and physical training—should be co-ordinated under the control of a Provincial Board of Education, the Directors of Vocational and Elementary Agricultural education to be responsible to the Board through the Chief Superintendent, and both these branches to be given representation on it; secondly, with regard to teacher-training, the abolition of the temporary licence of the Third Class, the raising of the Normal School entrance examination requirements, with greater opportunities for practice-teaching; the inauguration of a system of helping teachers, similar to that in operation in Nova Scotia; the appointment of a High School Inspector and of Supervising Principals; thirdly, (a) the appointment of a Provincial Tax Commission for the purpose of securing an equalization of valuations for school assessment purposes throughout the Province; (b) the establishment of the County as a unit for taxation and financial management of the schools, cities and incorporated towns to remain separate if they

wished; a County School Commission to be appointed, with the Inspector as official advisor; (c) the retention of the school district as a unit for local control; (d) the establishment of an equalization fund from which it would be possible to pay a portion of the costs of schools in all the counties and thus reduce to a common level the tax rate for schools in the whole Province; the designation of any graded school giving courses for grades IX, X, XI and XII, as a "High School," and that all High Schools be free to residents of the County in which they were situated. With regard to the *curricula,* the Commission went on record as approving the Grammar School course for those desiring a matriculation course, but recommended that provision be made for those desiring less; also that a permanent Provincial Advisory Board on *curricula* and texts be set up, to include 9 members: the Chief Superintendent as Chairman and representatives of the High, Graded and Rural Schools, School Inspectors, Vocational Schools, Acadia Teachers, New Brunswick Medical Council and the Executive of the Federation of Labour; and that French in teaching, text-books and examinations be admitted in the early grades where the children were French.

The Report was brought down during the Session of the Legislature, but no legislation was introduced in connection with it. The Government received a large delegation seeking an increase in the amount allowed by Provincial Statute for vocational education; but they were unable to promise the increase.

University of New Brunswick, Fredericton. Enrolment for the year 1931-32 was 392. There was only one change in the staff, the appointment of George W. Donaldson, B.A., as an additional lecturer in Physics. At the 132nd Annual *Encœnia* on May 12, when Hon. H. H. McLean, Lieutenant-Governor, as Visitor, presided, 71 students, the largest graduating class in the history of the University, received degrees. Addresses were delivered by Cecil C. Jones, M.A., PH.D., LL.D., President, Rev. Frank Baird and the Prime Minister of New Brunswick. The Honorary Degree of "LL.D." was conferred on Rev. T. Allan Hoben, President of Kalamazoo College, Kalamazoo, Michigan, *in absentia.* The alumni oration prepared by Dr. Hoben, who was unable to be present through illness, was read by Rev. W. C. Kierstead of the University Faculty, and J. Herbert Smith delivered the valedictory.

Mount Allison University, Sackville. The enrolment for the regular session, 1931-32, was 455 and that of the Summer session, 221, making a total of 676. Two new appointments were made, those of Charles A. Krug, M.A., B.D., as Professor of Philosophy, in place of R. B. Liddy, PH.D. (resigned) and John L. Nickerson, M.A., as Assistant Professor of Physics. Oct. 21, 1931, Founder's Day, was marked by a programme which featured the dedication of the new Chemistry and Biology Building. On the same occasion the Honorary Degree of "LL.D." was conferred upon George S. Whitby, M.A., PH.D., of the National Research Council, Ottawa, and James Crawford Simpson, B.SC., Secretary of the Faculty of Medicine, McGill University. 78 graduates received degress and 11 others engineering certificates, at the Annual Convocation, May 24, 1932. The graduating class was the largest in the history of the University. Four Honorary Degrees were also conferred; that of "LL.D." on: Sir Herbert Ames, Prominent Canadian financier, Brookline, Mass.; Fletcher Peacock, B.A., Head of the Vocational School, Saint John, New Brunswick; and Obed Edmund Smith, Halifax; and that of "D.D." on Rev. George W. F. Glendenning, M.A., S.T.B., Dunnellon, Florida.

Saint Joseph's University, Saint John. Students enrolled in the 1931-32 session numbered 406. On May 3, 1932, the dedication of the new Chapel took place. Twenty-two students received degrees at the 68th Annual Commencement on June 15. Honorary Degrees of "M.A." were conferred as follows on: Robert Dysart, Boston, U.S.A.; Rev. Albert Landry, St. Anselme, N.B.; LeBaron J. LeBlanc, Montreal; Rev. Benjamin Lecavalier, C.S.C., Montreal; Walter B. O'Regan, Saskatoon, Saskatchewan; and William M. Ryan, Saint John, N.B.

The Province of New Brunswick

(As at June 30, 1932)

Lieutenant-Governor.....Major-General, Hon. Hugh Havelock McLean, K.C., V.D., LL.D.

The Richards Ministry (Conservative)

Prime Minister and Attorney-General	Hon. Charles D. Richards, B.A., LL.D., K.C.
Provincial Secretary-Treasurer and Clerk	Hon. Antoine J. Leger, M.A., K.C.
Minister of Lands and Mines	Hon. L. P. de W. Tilley, LL.B., K.C.
Minister of Public Works	Hon. David A. Stewart
Minister of Agriculture	Hon. Lewis Smith
Minister of Health and Labour	Hon. Henry I. Taylor, M.B., C.M.
President, Executive Council and Minister without Portfolio	Hon. W. Henry Harrison, K.C.
Minister without Portfolio	Hon. E. Albert Reilly, K.C.

Speaker, the Legislative Assembly.....Hon. Fred C. Squires

Heads of the Administrative Services

Clerk of the Executive Council	H. Lester Smith
Deputy Attorney-General	Ralph P. Hartley
Deputy Provincial Secretary-Treasurer	Robert Bayley
Deputy Minister of Lands and Mines	G. H. Prince, B.S.F., M.SC.
Deputy Minister of Public Works	W. Arthur Barbour
Secretary of Agriculture	Harvey Mitchell
Superintendent of Education	A. Stirling McFarlane, LL.D.

THE PROVINCE OF PRINCE EDWARD ISLAND

The General Election of 1931; Other Events

Immediately after the close of the 1931 Session of the Legislative Assembly of Prince Edward Island on May 7, 1931, both the Liberal Government Party, under Hon. Walter M. Lea, and the Conservative Opposition, headed by Mr. J. D. Stewart, began to make plans for a Provincial General Election. By July 2, when the Prime Minister announced that Aug. 6 was the date on which voting would take place, nominations of candidates for all constituencies were complete and the campaign was already in progress.

In the preceding General Election of 1927, the Stewart Conservative Government had gone down to defeat in their appeal to the people on a policy of Government control of the sale of liquor. The Liberal Party had been returned to power with Albert C. Saunders, K.C., as Prime Minister. After three years in office, Mr. Saunders resigned in 1930 to accept a seat on the Supreme Court Bench of Prince Edward Island and his Government was re-constituted with Mr. Lea, formerly Provincial Secretary-Treasurer and Minister of Agriculture, as Prime Minister on May 20.

Following the announcement of the date for the electorate to go to the polls, a sharp contest ensued, joint meetings being held throughout the 15 constituencies of the Province. The Conservative Party policy, as proclaimed by their Leader (Mr. Stewart), was: rigid economy in administration; implementation of the Duncan Report; no increase in taxation; old age pensions provision; special attention to teachers' training; cheaper school books; enforcement of all laws including the Prohibition Act; co-operation with the Dominion Department of Agriculture in the promotion of agricultural and technical education; encouragement of fruit-growing and preserving horticultural products; practical assistance to the fishermen of the Province in co-operation with the Dominion Department; special attention to secondary roads leading to market centres; continuous care of roads in the proper season; and an equal opportunity to all taxpayers to commute their road tax by labour. The Liberal (Government) defence was the record of their four years' rule: that agriculture had shown a marked development under a Government with the first farmer Prime Minister of the Island; that their policy of retrenchment in Provincial expenditure had resulted in a Surplus of $15,000 in Current Account for the year ended Dec. 31, 1930, and in the smallest *per capita* Debt of any Province in the Dominion; that, by the use of modern machinery, inaugurated by them, a larger mileage of roads had been improved at a lower cost than under the

previous (Conservative) Administration; that there had been under their (Liberal) Administration a marked improvement in temperance; that they had made an honest effort in the enforcement of the Prohibition Act; and that they had not deemed it advisable to approach the Dominion Government with regard to subsidy claims until settlement had been made by that Government with the Western Provinces' claims. As the campaign proceeded the Government's road policy received more and more attention in Conservative speeches, the claim being that a maximum of extravagance had been the Liberal policy resulting in a minimum of benefit to the Province; all of which was hotly denied in Liberal defence.

The Election resulted in a sweeping victory for the Conservative Party after four years in opposition, with a majority of six seats. The standing of the Parties after the Election was: Conservatives, 18, and Liberals, 12. The Prime Minister (Mr. Lea) retained his seat but four of his colleagues in the Government, Messrs. Sinclair, Clark, MacNeill and Wright, all Members without Portfolios, were defeated. The only Members of the Lea Administration returned, besides the Prime Minister, were Hon. J. P. McIntyre, Minister of Public Works, with a majority of 26 votes, and Hon. Bradford W. LePage, Minister without Portfolio, with a majority of 17 votes. Thane Campbell, a former Attorney-General, defeated in a By-Election the previous year, was successful in the General Election. With the defeat of the Lea Government only one Liberal Government remained in Canada—the Taschereau Government in the Province of Quebec. On Aug. 29, Mr. J. D. Stewart was sworn into office as Prime Minister following the resignation on Aug. 28 of the Lea Administration. The new Cabinet was announced as follows:

Prime Minister, President of the Council, Attorney and Advocate-General	Hon. James D. Stewart, K.C.
Minister of Public Works and Highways	Hon. Leonard MacNeill
Minister of Agriculture and Provincial Secretary-Treasurer	Hon. G. Shelton Sharp
Minister of Education and Public Health	Hon. W. J. P. MacMillan, M.D.
Minister without Portfolio	Hon. H. Francis McPhee, B.A.
Minister without Portfolio	Hon. Adrian F. Arsenault, B.A.
Minister without Portfolio	Hon. Harry D. McLean
Minister without Portfolio	Hon. Walter G. McKenzie
Minister without Portfolio	Hon. Matthew W. Wood

Four By-Elections, caused by acceptances of offices in the Cabinet by the several previously successful candidates were held on Sept. 16; in 5th King's (Stewart), Charlottetown Common and Royalty (MacMillan), 2nd Prince (Sharp), 5th Prince (MacNeill). All were returned by acclamation.

Activities of the new Government in behalf of unemployment and agriculture included an arrangement with the Dominion Government, immediately after taking office, for a definite programme of permanent public works as a means of relief for the Autumn and Winter months, and the sending to Great Britain, in January, 1932, of a Provincial representative, J. W. Boulton, Secretary of the Potato Growers' Association, to urge, in conjunction with the delegate of the

Province of New Brunswick, Hon. Lewis Smith, Minister of Agriculture, the removal of the British embargo on Canadian potatoes. The appeal to the British Department of Agriculture was unsuccessful but it was hoped that discussions at the Imperial Economic Conference, July, 1932, at Ottawa would bring about the desired result. Some time after the close of the 1932 Session of the Legislature the Stewart Government proceeded to implement promises made during the General Election campaign of 1931 with regard to old age pensions, by the appointment of Irvine G. MacLaren, Charlottetown, to make a full investigation into the cost of an old age pensions system in Prince Edward Island.

Two disasters occurred in the Province during the period under review involving the loss of Government-owned buildings to an extent of approximately $800,000. On Dec. 14, 1931, Falconwood Hospital for the Insane was completely destroyed by fire and six persons killed. Two months later, on Feb. 6, 1932, Prince of Wales College was also razed by fire. Added to these losses were two serious fires in the business district of Charlottetown. Construction of temporary accommodation for the patients of Falconwood was immediately begun after the disaster and legislation was passed during the 1932 Session of the Legislature permitting the raising of money for re-building the Hospital and College. Previous to the fire the sanitary and general condition of the old hospital had been condemned in a report of an investigating group who had been appointed by the previous (Liberal) Government. Very little time had been lost in providing temporary classrooms for the 370 students of Prince of Wales College and, before May, plans for the construction of an up-to-date building were announced. These two new edifices and the Prince Edward Island Hospital, whose first sod in preparation of its construction was turned on Nov. 2, 1931, would constitute important units with regard to the educational and welfare development of the Province.

The 1932 Session of the Legislature

The First Session of the Forty-second General Assembly of Prince Edward Island was opened at Charlottetown on Mar. 2, 1932, by the Lieutenant-Governor, Hon. Charles Dalton. The Speech from the Throne referred to the hopes aroused in the Province for renewed prosperity and progress as a result of the Imperial Economic Conference at Ottawa in July and to the recent visit of His Excellency the Governor-General, the Rt. Hon. the Earl of Bessborough. It summarized conditions in the Province as follows:

(1) Agriculture: the decrease in prices obtained for agricultural products coupled with the difficulty in finding markets; the efforts of the Province to have the British embargo on potatoes lifted; the benefit to New Brunswick agriculture of the co-operative marketing organization; the Government policy of encouraging mixed farming and the educational aspect of the basic industry; the stress that would be laid on the development of Boys' and Girls' Clubs and the addition of other lines than live stock; the disposal of the entire 1931 crop of silver fox pelts, though at reduced prices. (2) Education: the appointment of a Minister to direct Education and Health matters in the Province; the full operation of all Public Schools; the destruction by fire of Prince of Wales College; the resumption of class work immed-

iately after with a loss of but one day; and the Government's intention to rebuild the College at once. (3) Health: the opening of the Provincial Sanatorium in June, 1931, and shortly afterwards, on July 1, the inauguration of a full-time Provincial Public Health Service. (4) Unemployment: the measures adopted for relief in conjunction with the Dominion Government. (5) Public Works: the provision made for the inmates of the Falconwood Hospital when that building was completely destroyed by fire toward the latter part of 1931 and the decision of the Government not to embark upon any elaborate public works' programme during the existing period of financial strain but to confine expenditures to the rebuilding of the Hospital and Prince of Wales College and to the necessary care of highways and bridges of the Province. (6) Proposed Legislation: a Bill providing for Workmen's Compensation and for other measures to be introduced for consideration. (7) Finance: the Public Accounts for the fiscal year ended Dec. 31, 1931, and the Estimates of Revenue and Expenditure.

Following the Speech from the Throne Augustine A. McDonald's (1st, King's) election as Speaker was approved and the Prime Minister (Hon. J. D. Stewart) submitted the personnel of the Executive Council. As the Leader of the Opposition (Walter M. Lea) was too ill to be present, the Debate on the Address-in-Reply to the Speech was postponed until Mar. 7 when it was moved by Heath Strong, K.C. (4th, Prince), and seconded by W. Allan Stewart (5th, Queen's). Walter M. Lea (Leader of the Opposition) opened the Debate on the Address with a criticism of the "meagre" subject matter of the Speech from the Throne: no mention of subsidy claims, old age pensions and cranberry growing—the first an Election issue and the two latter both successful items in Conservative speeches during the campaign. Referring to agriculture, Mr. Lea drew attention to the need of specializing in dairying, hog and poultry raising, securing a concession with regard to freight rates for potatoes to other parts of Canada, stressing the advantages of mixed farming and a reorganization of the live stock industry. The Opposition Leader queried the need of increasing Provincial expenditure at the present time on additional Government portfolios; but offered the unstinted support of the Opposition to the Government in their efforts to improve education in the Province. Mr. Lea ended his speech by gracefully acknowledging the action of the Government Leader in postponing the Debate on the Address until his attendance in the House.

The Prime Minister (Hon. J. D. Stewart) congratulated the Opposition Leader's impartial discussion of important Provincial matters, but took issue with him in regard to available home markets for potatoes, and expressed his belief that the agitation by all Provinces for reduced freight rates might have something to do with the existing railway difficulties. Continuing, Mr. Stewart stated: that the Government hoped to establish normal training of teachers on a general basis; that Prince of Wales College would be a fireproof, modern building; and that unemployment relief in Charlottetown was in the hands of a Committee made up of representatives of both political Parties. Dealing with the Opposition Leader's criticism of omissions in the Speech from the Throne, Mr. Stewart declared that the former Government had had them in the Speech and "what did we get." He hoped by the expiration of their term to have carried out their election promises and "it will not be as it was a few months ago—a death-bed gesture." He stated that during the existing period of financial strain, it was not to be expected that a subsidy settlement could be made; but that preparations were being made for the presentation of claims as soon as the economic crisis had abated. (*The Charlottetown Guardian*).

Other speakers followed Mr. Stewart on the same day and upon the Debate being concluded and the question being put, the Address-in-Reply to the Speech from the Throne was carried without division.

Public Accounts; The Budget. The Public Accounts Report of Prince Edward Island for the year ended Dec. 31, 1931, (eight months of which a Liberal Government had been in office; and the remaining four, a Conserva-

tive Government) was tabled in the House on Mar. 10, 1932. Total Ordinary Revenue was shown as $1,149,570; and total Ordinary Expenditure, $1,453,190; Capital Revenue, including Dominion Government's share of Unemployment Relief of $90,000, was $117,545; Capital Expenditure, $141,576; Special Expenditure, $64,246 and total Unemployment Relief Expenditure, $207,588 (Dominion, $90,000 and Province, $117,587); and a total Revenue received of $1,267,115 and total Expenditure of $1,866,600. Total Liabilities of the Province at Dec. 31, 1931, were $3,342,241, made up of Debentures, $2,104,000 (Ordinary, $929,000 and Highway, $1,175,000) less Sinking Funds $498,351; and Short Term Loans, $1,736,593. Increase in total Liabilities over those of 1930 was shown as $548,920.

The Budget Speech delivered by the Prime Minister (Hon. J. D. Stewart, K.C.) on Mar. 15, 1932, disclosed the following Estimates for 1932: total Revenue, $1,209,870; total Expenditures, exclusive of a sum sufficient to build Falconwood Hospital and Prince of Wales College, $1,207,465. During his Speech, Mr. Stewart stated that when his Government came into office in August they were faced with an over-draft at the Bank of nearly a million and a quarter dollars; that the former (Liberal) Government should have made provision for it by converting the over-draft, or a greater part of it, into bonds at a propitious time but instead they (the Liberal Government) left adjustment for the new Government at the most difficult period in the financial affairs of the Province; not only was the bond market in a devastated condition but the Statutes authorizing the Government to sell bonds were so arranged that the Government could not sell more than $150,000 of debentures. They were, however, able to obtain a favourable price for the issue. Mr. Stewart, discussing the increased estimate for teachers' salaries over the previous year stated that the system of a flat rate, in force since the Act of 1920, was a vicious one and to it might be attributed many of the educational ills of previous years. Dealing with the Public Debt of $3,342,241, the Prime Minister declared that when the money, necessary to rebuild the two public buildings recently destroyed, was raised and added, the Provincial Liabilities would have passed the $4,000,000 mark, which would mean a tax on every man, woman and child of $40.

Mr. Lea, following the Prime Minister in the Debate on the Budget, said that there was no Province at the time in a better financial condition than Prince Edward Island. According to the Public Accounts Committee's Report of the previous year, the Liabilities were shown as $2,919,000. Against this were Assets of $292,000 leaving a Net Debt of $2,629,000 or an increase of $328,534. This was the extent to which the Liberal Government had gone behind. The total amount spent by them in four years, Mr. Lea declared, had been $1,500,000—a great portion of which was for steel bridges, ferries, etc., work in the same class as the two new proposed buildings to replace those destroyed by fire. During the previous ten years the earnings from live stock and potatoes were over $3,000,000 and this increase would not have been so great if the roads had not been improved—and this was a revenue-earning item. The Debate on the Budget was concluded by J. H. MacDonald (Con., 5th King's) on Mar. 30, and the question being put, the Resolution was adopted that the House go into Committee of Supply.

Legislation and Incidents of the 1932 Session. The First Session of the Forty-Second Legislative Assembly of Prince Edward Island, during which 32 Bills were passed, closed on Apr. 2, 1932. The Workmen's Compensation Bill had been introduced at the beginning of the Session but was not proceeded with. Among the more important enactments were: an Act to provide for the issue of Debentures to pay off Bank Overdraft and to raise funds to rebuild Falconwood Hospital and Prince of Wales College; an Act to incorporate the Prince Edward Island Hospital; an Act to Amend the Education and Public Health Act which fixed the salary of the Minister and stipulated that he would not be ineligible as a Member of the Legislative Assembly on account of having received a salary, and it provided for a Board

of Education; an Amendment to the Election Act of 1922, stipulating that the Legislative Assembly's term was to be five years and that the Minister of Education and Public Health was not ineligible as a Member of the Legislative Assembly; and an Amendment to the Prince Edward Island Fish and Game Act providing for a closed season for Hungarian Partridge, a bounty for skunks, and an increase in licence fees; and for other items.

A Resolution moved by Mr. Lea (Opposition Leader) and seconded by Mr. Campbell (Lib., 4th King's), was unanimously passed by the Legislature on Apr. 1, 1931. It petitioned the Dominion Government for reduced freight rates on potatoes, fertilizer and pound limestone; for elimination of storage charges in Government warehouses; and pressed for the removal of the British Potato embargo at the Imperial Conference. The Resolution contained an Amendment introduced by Mr. Sharp (Con., 2nd Prince) who explained to the House that the Government had been aware of the need of agricultural assistance and had been in communication with Ottawa with regard to the furnishing of seed to farmers.

The Report of the Special Committee appointed to examine into the Public Accounts was presented to the House on Apr. 2. It stated that it was found that the Securities held on the Sinking Fund and as presented to the Committee, corresponded with the list shown by the Public Accounts for the year ended Dec. 31, 1931; that the total Ordinary Revenue for the year amounted to $1,149,570; the total Ordinary Expenditure, to $1,453,190; and that the Deficit was $303,620; the total Liabilities as shown by the Public Accounts were $3,342,241, plus the accrued and unpaid items, bringing the total Liabilities up to $3,492,167. But the Report stated that the Estimated Assets as at Dec. 31, 1931, of $331,821, made up of Taxes in arrears, $282,080; School Supplies, $22,200; Stocks on hand, School Supply, $3,310; Accounts Receivable, credit Balance Prohibition, $24,229, would not realize their face value and, therefore, could not be deducted from the Liabilities of the Province. A closer supervision of the School Supply and an endeavour to have the same on a paying basis, was advised; and, it was explained that, in order that the various public services might be carried on, it was essential that arrears of taxes be collected.

It was moved by J. H. MacDonald (Con., 5th King's) and seconded by Heath Strong (Con., 4th Prince) that the Report be adopted. W. H. Dennis (Lib., 2nd Prince) moved an Amendment, seconded by H. H. Cox (Lib., 2nd King's) that the Report be not adopted but be referred back to Committee with instructions that they include as Assets of the Province, road machinery, Government-owned cars and trucks, tools and equipment, part of which was given as Assets of the Province in the External Auditor's Report. The House divided on the Amendment, 15 to 11, so it passed in the negative and the main Motion that the Report be adopted, was carried on the same division.

A large delegation seeking a continuation of full grants for vocational education waited upon the Government on Mar. 16, 1932. The Prime Minister stated that in view of existing financial conditions they could not extend the usual Provincial grant of $50,000, allowed by the Vocational Act, to include an amount formerly carried by the Federal Government.

During the Budget Debate, an explanation of an insurance matter in connection with Falconwood Hospital was given by Hon. W. J. P. MacMillan, M.D., (Con., 5th Queen's): through a delay on the part of the Secretary of the Public Works Department and an insurance representative, an insurance policy to an extent of $260,000 on Government-owned property to which the Government had given their consent three weeks before the fire occurred, had been left in abeyance with the intention of putting the business through on Feb. 1, 1932, when, as it turned out, it was too late. Of the $260,000 worth of insurance, $75,000 was intended for Falconwood; and $30,000 for Prince of Wales College, which, added to the amount of $45,000 already on the College would have made a total of $75,000 insurance. Immediately after the Falconwood fire, as an outcome of the disappointment over the uncompleted insurance policy, the plans were changed and Prince of Wales College insurance was

raised from the already increased amount of $75,000 to $150,000 and $10,000 added to the furniture insurance of the College. Thus, as a result of the blunder with regard to the Falconwood insurance, which would have brought in $75,000, $85,000 extra was added to Prince of Wales College, which arrangement left the Government $10,000 ahead.

During the Budget Debate W. H. Dennis (Lib., 2nd Prince) stated that Canada was importing $250,000 worth of cranberries each year from the United States and that these could be grown in Canada; that he could not understand why his Party Leader (Mr. Lea) when Prime Minister, had abided by an unfavourable report of the question which had been presented for the consideration of the Lea Government; he believed that further inquiries should have been made on the subject.

During the 1932 Session, regretful references were made in the House to the loss of Hon. Leonard M. MacNeill, Minister of Public Works in the Stewart Cabinet who had died since the 1932 Session opened, and Mr. Paul A. Scully, a former Minister without Portfolio in the Lea Government, who had died in June, 1931.

Agriculture; Other Departmental Reports

The Annual Report of the Department of Agriculture for the year ended Dec. 31, 1931, was submitted by Hon. G. Shelton Sharp, Minister of Agriculture. The final estimates of area, yield and value of field crops were as follows:

	Acres	Yield per Acre bushels	Total Yield bushels	Average Price per bushel	Total Value
Wheat	25,500	18.3	467,500	$ .85	$ 397,375
Oats	166,100	35.3	5,874,200	.29	1,703,518
Barley	4,700	29.	135,700	.51	69,207
Mixed Grains	27,800	36.3	1,027,900	.33	339,207
Buckwheat	2,800	27.	74,400	.50	37,200
Potatoes (certified seed)	25,000	160.	4,003,075	.18	720,553
Potatoes (uncertified)	18,300	140.6	2,550,200	.12	306,024
Turnips	10,300	641.6	6,752,500	.10	675,250
		tons	tons	per ton	
Hay and Clover	259,000	1.6	429,010	9.00	3,861,090

W. R. Shaw, Live Stock Superintendent, reported the highest production and the lowest prices experienced in many years in the Province. Excellent pastures and ample supplies of roots, roughages and coarse grains prevailed but low market prices caused considerable financial distress in many instances. The home-bred horse was more in favour during the year and importation of horses was greatly reduced. 57 stallions were enrolled and 11 qualified in 1930 for the Federal-Provincial bonus premium. The market for dairy cows "weakened and almost disappeared," and the butter and cheese market also dropped. Trade with the Newfoundland Government was interfered with by the unsettled conditions there. Though fewer registered sires were purchased by individuals and organizations than formerly, a larger number were placed within the Province, as a result of the re-establishment of a Federal Bull Loaning Policy. There was also a greatly increased patronage of cow-testing associations. Eight new boys' and girls' clubs were organized. The sheep industry withstood the depression during the year better than any other class of live stock; the drop in price was one cent per lb., whereas hog and cattle prices depreciated about 50 per cent. There was a general tendency among Prince Edward Island farmers to pay more attention to live stock. A record was made in the founding of flocks of pure-bred sheep. The swine industry, on the other hand, suffered most. From a low of .08 cents per lb. in 1930, prices fell below .04 cents per lb. in 1931; production, however, had been increased and the quality of hogs marketed had improved. The Maritime Marketing Board handled approximately 75 per cent. of the lambs marketed in the Maritime Provinces in 1931. In Prince Edward Island about 10,500 lambs and upwards of 10,000 hogs, an increase over 1930, were dealt with co-operatively.

The sale of eggs and poultry netted the farmers $1,000,000. Production of eggs was, approximately, 3,500,000 dozens—grading showing an increase of 5 per cent. in quality. Poultry offerings were slightly greater—the average grading for dressed poultry showing an increase of 5 per cent. 10,000 turkeys were marketed, a slight decrease from 1930, but there was a further improvement in quality and the Province continued to lead Canada in poultry production. Chick hatcheries reported a poor year. The Prince Edward Island Co-operative Egg and Poultry Association gained 635 members, bringing the total to 5,135. Egg receipts showed a gain of 8,819 dozens, or a total of 1,516,586 dozens for the year, constituting a record for the Association.

Warren L. Brenton, Dairy Superintendent, reported a production of 2,063,252 lb. of butter and 525,240 lb. of cheese by 21 creameries and 14 cheese factories. Mutual confidence between salesmen and buyers of butter was urged, also a greater production of cheese in the Summer. The production and sale of ice cream was about 20 per cent. below 1930.

Forty-six school fairs were held, 2 less than in 1930, but an increase of 1,167 in the number of exhibits was shown. Schools participating numbered 214, a decrease of 19, and pupils exhibiting numbered 4,917, a decrease of 188. Twelve new Women's Institutes were organized during the year, bringing the total to 236 branches, with a membership of, approximately, 4,000. The sum of $7,344 was expended by the Institutes on schools, almost $1,000 more than in the previous year; $235 on school fair work; $6,332 on community improvements, such as halls, rinks, street lights, sidewalks and libraries; and, in addition, a gift of $1,577 to various charitable organizations, and many donations other than money. The 18th Annual Convention of the Institutes was held in Charlottetown, July 9-10, 1931, with an attendance of 350 delegates.

The product of the fisheries of Prince Edward Island, in 1931, had a total value of $1,078,901, compared with $1,141,279 in 1930, according to the Preliminary Report for 1931 of the Dominion Bureau of Statistics, in co-operation with the Department of Trade and Commerce. The lobster fishery, of first importance, had a value of $754,542, or 70 per cent. of the value of all fisheries in the Province, the catch amounting to 94,150 cwt., an increase over 1930 of 13,330 cwt. Capital invested in the industry was $939,212, comprising $756,197, the value of the vessels, etc., engaged in primary operations and $183,015, the amount invested in canning and curing establishments. 2,744 persons were employed in the industry; 2,431 on vessels and boats, and 313 in canning and curing establishments.

Health. The Third Annual Report of the Department of Health for the year 1931 was submitted by Hon. W. J. P. MacMillan, M.D., C.M., F.A.C.S., first Minister of Public Health of the Province, sworn in Aug. 29, 1931. Reorganization of the health activities came into effect July 1, 1931, when the Provincial Board of Health, as then constituted, the City of Charlottetown and the Red Cross Nursing Division were united under one staff of full-time public health workers, with the exception that the duties of the meat and milk inspector and the sanitary officer of Charlottetown, were confined to the City alone. Administration work and the conducting of chest clinics were assigned to the Chief Health Officer, and the epidemiological work and supervision of the Vital Statistics to the Assistant Health Officer. Changes in the Health Act were made with regard to the following regulations: respecting the quarantine period of certain contagious diseases; doctors' fees, drugs and treatment of venereal diseases; sanitary control of hotels, etc.; and the care of indigent patients quarantined for communicable diseases. The necessity for improvement in the reporting of communicable diseases was noted, in order to offset the seemingly high mortality rate for the number of cases reported. There was a marked decline in the number of deaths from these diseases over the previous three years, and no serious epidemic had prevailed.

There were 317 cases of communicable diseases reported in 1931, resulting in 175 deaths. The number of clinical examinations made was 753. The tentative summary of births, deaths and marriages for the year showed 1,737 births, 915 deaths, 28 stillbirths, and 474 marriages. Final figures for 1930 were: 1,749 births, 961 deaths, 40 stillbirths and 488 marriages.

The Third Annual Report of the Board of Commissioners of the Provincial Sanatorium reported admittance of the first patients to the Institution May 19, 1931, and the official opening on June 8, by the Lieutenant-Governor, Hon. Charles Dalton. From May 19 to Dec. 31, 102 patients were admitted, 54 discharged, 48 remained as at Dec. 31, and 6 died.

The Fifty-first Annual Report of the Medical Superintendent of Falconwood Hospital and Provincial Infirmary for 1931 stated that at the beginning of the year there were 265 patients; at its close, 250; 150 patients were admitted during the year and 99 discharged, of whom 67 were fully recovered, 14 improved and 8 unimproved. Percentage of recoveries on admission was 58.9. The number of admissions and recoveries was the greatest in any year. There were 28 deaths, making the percentage of deaths 7.5, or, deducting the number that perished in the fire, 5.5. The hospital building was completely destroyed by fire on Dec. 14, 1931, with a loss of 6 lives, the cause of which was not reported. The patients were accommodated in the Newson Building, the Simms Building and the Provincial Infirmary. The Board of Trustees, composed of Hon. J. D. Stewart, President, Hon. W. J. P. MacMillan, Hon. G. S. Sharp, Hon. L. MacNeill, Hon. M. W. Wood and G. F. Dewar, reported a net expenditure for the year of $122,401.

Education. According to the Report of the Chief Superintendent of Education, H. H. Shaw, B.SC., for the year 1931, the number of school districts in the Province at June 30, was 479. In 5 districts pupils were conveyed to neighbouring schools, and in 5 others, schools were closed, owing to scarcity of pupils. 469, or 2 more districts than in 1930, operated schools, making 472 schools in all, one in each district except Charlottetown, which had 4. The number of school departments was 626. Enrolment of pupils totalled 17,506, an increase of 229 over 1929-30, and of whom 8,820 were boys and 8,686 girls. Average daily attendance was 12,721, or 72.6 per cent. There were 148 male and 480 female teachers. Government expenditure on schools was $321,507 and district expenditure, $189,444. The School Days Library Commission, organized in 1927, placed libraries in 25 schools during the year, making 101 schools so supplied. School fairs to the number of 46 were held, 214 schools participating with 4,917 pupils and 20,657 exhibits.

St. Dunstan's University, Charlottetown, reported an enrolment of 172. Bequests for the year amounted to $50,000.

The Province of Prince Edward Island

(As at June 30, 1932)

Lieutenant-Governor ..... Hon. Charles Dalton

The Stewart Ministry (Conservative)

Prime Minister, President of the Council, Attorney and Advocate-General ..... Hon. James D. Stewart, K.C.
Minister of Public Works and Highways ..... (vacant)*
Minister of Agriculture and Provincial Secretary-Treasurer .. Hon. G. Shelton Sharp
Minister of Education and Public Health ..... Hon. W. J. P. MacMillan, M.D.
Minister without Portfolio ..... Hon. H. Francis McPhee, B.A.
Minister without Portfolio ..... Hon. Adrian F. Arsenault, B.A.
Minister without Portfolio ..... Hon. Harry D. McLean
Minister without Portfolio ..... Hon. Walter G. McKenzie
Minister without Portfolio ..... Hon. Matthew W. Wood

Speaker, Legislative Assembly ..... Hon. Augustine A. McDonald

*NOTE.—Hon. Leonard M. MacNeill's death occurred on Feb. 23, 1932.

Heads of the Administrative Services

Deputy Provincial Secretary-Treasurer	H. R. Stewart
Clerk of the Executive Council	H. R. Stewart
Clerk of the Legislature	H. E. Dawson
Law Clerk	R. R. Bell
Supervisor of Taxation	C. J. Stewart, M.C.
Registrar of Motor Vehicles	Cyriac Gallant
Acting Provincial Auditor	W. E. Massey, C.A.
Legislative Librarian	A. D. Fraser
Deputy Minister of Agriculture	Wilfred Boulter
Deputy Minister of Public Works and Highways	L. B. McMillan
Provincial Health Officer	P. A. Creelman, M.D.
Engineer	Herbert H. Shaw, B.SC.
Superintendent of Education	Herbert H. Shaw, B.SC.
Chief Clerk, Department of Education	P. S. Bradley
Commissioner of Crown Lands	C. F. MacDonald

THE PROVINCE OF MANITOBA

Economic Conditions; Political Affairs

Early in the Summer of 1931, the Prime Minister of Manitoba, Hon. John Bracken, announced certain emergency measures which were to be adopted in an effort to assist the unemployment situation throughout the Province. Salaries of Members of the Cabinet and Legislature and of Members of the Civil Service were to be reduced and Dominion assistance for impoverished school districts was to be sought on the same basis as contributions to unemployment relief. Plans for Provincial works in aid of unemployment were forwarded to Ottawa for approval followed by several urgent appeals from the Provincial Government that Dominion contributory arrangements be completed as speedily as possible owing to the distressful need prevailing throughout the Province. (See "Labour Conditions" and "Federal Administration" elsewhere in this volume). That the utmost leniency be extended to debtor farmers was urged by Mr. Bracken during a conference of representatives of Provincial banks, mortgage, insurance and trust companies, called together by the Prime Minister in August. It was intimated at the time that the establishment of a mortgage moratorium was not contemplated. On Sept. 11 Mr. Bracken announced at Melita during a speech that land taxes for Provincial revenue totalling $400,000 annually had been wiped out by the Government to help relieve the burden on agriculture. There had been a good deal of discussion during the year over a Provincial plan for land settlement; and this was eventually undertaken when Manitoba joined in an agreement with the Federal Government in the Dominion-Provincial back-to-the-land movement.

Of major importance to the Province was the closing of the Provincial Government Savings Offices in February, 1932. It was stated by the Prime Minister (Mr. Bracken), when making the announcement as Provincial Treasurer on Feb. 18, that all deposit accounts, together with the assets of the Savings Offices, were being transferred to the chartered banks of Canada. Mr. Bracken explained that since November, when about $1,500,000 had been withdrawn from the Savings Offices, presumably for investment in Dominion securities at the higher rate of interest payable on them, rumours reflecting on the stability of the Savings Office had been circulated, notwithstanding the fact that there was on deposit over $12,000,000 which was invested in legitimate securities. Withdrawals had commenced and had increased in number and volume as the weeks passed. "Large sums of money were taken out and hundreds of accounts were closed during the last few weeks and this situation showed every sign of continuing . . . Those responsible for these rumours have performed no good service either to the depositor or to the Province

as a whole." The withdrawals could have been met by selling their securities, Mr. Bracken stated, but this would have meant a loss to the Savings Office and the Province at the existing state of the bond market. During the 1932 Session of the Legislature a Special Committee was appointed to enquire into the closing of the Offices.

Rumours of further shortages in Departments of the Provincial Government, following the disclosure of thefts amounting to over $102,000 from the Treasury Department by two Treasury officials who had been convicted and were serving terms in the penitentiary, were denied by the Prime Minister on Feb. 26 in a statement to the Press. An arrest, on information laid by the Attorney-General on behalf of the Provincial Government, had previously been made of Leslie Garden and Reginald Maybury, alleged publishers of *The Truth of Canada* which, on Feb. 25, had printed a story that there was a shortage of nearly $1,000,000 of Government funds. Messrs. Garden and Maybury were found not guilty of "spreading false news" at the Spring Assizes, and were released from custody on Mar. 22.

The General Election of 1932. Early in October, 1931, political discussion centred around a Press announcement of a proposal which had been privately made some time before by the Prime Minister (Mr. Bracken) to Opposition Leaders to form a Union Government in an effort to cope with the critical situation in the Province—a four-fold one in character, comprising unemployment, agricultural depression and the serious state of both Provincial and municipal finances. Lieut.-Col. F. G. Taylor, Leader of the Conservative Party, publicly stated his unequivocal refusal as Leader of his Party to consider the proposition, declaring at the same time that if Mr. Bracken "feels himself incapable of carrying on the affairs of the Government he should resign." Dr. Murdoch MacKay, Leader of the Liberal Party, did not comment on the suggestion at the time but it was generally understood that he was not averse to the idea. Mr. John Queen, Leader of the Labour group, emphatically said that his Party would not agree to any such plan; that they could not form part of a Government whose policy of a reduction in expenditures meant decreased amounts for Mothers' Allowances and a reduction in Civil Service salaries. Mr. Bracken's first public utterance on the proposal, since its announcement, was made at Killarney on Oct. 8 during a speech in which he pleaded for a non-partizan Government in Manitoba during the economic crisis. He stated that his coalition suggestion had not been made with the idea of postponing the impending Provincial General Election and that it was always intended that the people should be consulted "regardless of the acceptance or rejection of the proposal."

During this period preparations were going forward for the General Election. Twenty Conservatives were already nominated. Three hundred Progressives met in convention at Brandon on Nov. 20 and named a central Committee to take charge of the Progressive campaign. Several resolutions were passed which embodied the Party's Election platform: a Union Government; that the Dominion Government alter their tariff policies in order to encourage a greater flow of western grain overseas; that a movement be inaugurated toward contributory unemployment insurance; that an effort be made to bring agricultural and financial interests together with the view of helping the debt-burdened Manitoba farmer to stay on his home lands; that the Provincial Government be commended for their efforts in decreasing the land tax and for economies instituted; and that the confidence in the Government be expressed for their capable administration of Provincial affairs. The Prime Minister was the choice of two nomination conventions at The

Pas—Progressive and Liberal—on Dec. 16. In a letter to the Liberal Leader (Dr. MacKay) dated Jan. 7, 1932, Mr. Bracken promised Liberal Cabinet representation to the extent of more than one Portfolio after the next Session of the Legislature. A week later at the Annual Meeting of the Manitoba Liberal Association a motion that Liberal and Progressive Parties should unite was carried by a majority of approximately three to one. Speaking of the Progressive-Liberal motion Col. Taylor (Leader of the Conservative Party) during a speech at The Pas on the following day declared that the entire plan of the coalition government was a "political dodge" of Mr. Bracken; that it had never been made in good faith; that it had been done simply to draw in the Liberals; that Mr. Bracken was quite well aware that the Conservatives would not join a union Government nor did he want them to join.

The Executive of the Manitoba Conservative Association and the 20 candidates for the approaching Election at a special meeting on Jan. 27, endorsed in a resolution their Leader's stand on the coalition issue. Resolutions were also passed demanding the calling immediately of the Provincial Legislature and the investigation by a Committee of the Legislature as soon as the Session opened into the careless and inefficient handling of the moneys of the Province by the Bracken Administration. Early in February a "Left Wing" of the Liberal organization—those of the members of the Party who were opposed to coalition of Government and Liberal forces, formed "the Liberal League of Manitoba."

Announcement that the Provincial General Election would be held on June 16 was made by Mr. Bracken on May 10, a few days after Prorogation of the Eighteenth Legislature. Conservatives met in Convention on May 13 at Brandon when the following election platform was drawn up: a sound economical and business-like administration; direct ministerial responsibility of the Department of Labour; support of the Canadian National Railways; the adjustment of securities held by the Province for rural credits and Manitoba farm loans; adoption of all practical means to ensure free schooling in all grades; belief in the principle of governmental operation of a hydro-electric power system to serve the whole Province; direct contribution to the relief of unemployment distress; a non-partizan board to administer relief; acceptance of the principle of national contributory insurance; establishment of rural telephone rates which would enable existing users to continue as subscribers; acceptance of responsibility for the construction, maintenance and upkeep of all trunk highways, and relief of all municipalities for responsibility therefor; an investigation of the feasibility of controlling the water levels of lakes Winnipeg and Manitoba; a re-organization of the Department of Agriculture; promotion of facilities for marketing farm products and in particular the facilitating of farm produce through the Hudson Bay; efforts to have the Dominion Government resume responsibility for fisheries and hatcheries in the Province; support of all *bona fide* mining developments; an effort to adjust the existing overlapping of fields of taxation between the Dominion and the Provinces; that though recognizing the necessity of economy the fields of Mothers' allowances and Provincial Health matters should not be allowed to suffer; and recognition of the feasibility of an all-Manitoba Highway to The Pas as an unemployment relief measure.

Representatives of the two Parties were called together by Mr. Bracken on May 19 in Winnipeg when twenty-two resolutions embodying the platform of the Liberal-Progressive Party were unanimously passed. Among these were the following: a non-partizan business administration; reduction in Services; cessation of borrowing except for relief and self-supporting activities; improvement in marketing problems; construction of market roads to link up with the Provincial highway; completion of the inter-Provincial highway to The Pas; the keeping open of all public schools; encouraging high schools and vocational training; abolition of all taxes levied on land and real property for Provincial Government purposes; that relief be placed under the control of an independent body and that a national contributory unemployment insurance scheme be adopted. A week later, on May 27, the personnel of the

Coalition Ministry was announced by the Prime Minister. Those sworn into office on the next day were as follows: E. A. McPherson, K.C., former Member of the House of Commons for Portage la Prairie, as Provincial Treasurer; J. S. McDiarmid, former Member of the House of Commons for South Centre Winnipeg, as Minister of Natural Resources and Industry; Dr. Murdoch MacKay, Leader of the Liberal Party, as Minister without Portfolio; Hon. A. Prefontaine, former Minister of Agriculture, as Minister without Portfolio; Hon. D. G. McKenzie, former Minister of Mines and Natural Resources, as Minister of Agriculture. The Prime Minister became also Minister without Portfolio. The Liberal League of Manitoba automatically ceased after the Coalition and became the Continuing Liberal Party, Mayor D. Campbell having been elected as Leader.

The result of the Election on June 16 was a triumph for the Liberal-Progressive Coalition Government. It gave to Mr. Bracken a stronger following than he had had in either of the two preceding Legislatures—a majority over all Opposition of 19 seats. Out of the 53 constituencies where voting took place 36 went to the Government; 10, to the Conservatives; 5, to the Labourites; and 2, to the Independants. There were two deferred elections yet to take place but they, too, when they were eventually held, went to the Government: The Pas to Mr. Bracken and Rupert's Land to Hon. Ewan MacPherson, newly appointed Provincial Treasurer and defeated Candidate on the 16th in Portage la Prairie by the Conservative Leader, Colonel Taylor. Two other defeated Cabinet Ministers on the 16th were Hon. E. W. Montgomery, Minister of Health and Public Welfare, and Hon. Murdoch MacKay, Minister without Portfolio. The latter's successful Farmer-Labour opponent, Clifford Barclay of Springfield, had been his unsuccessful opponent in the 1927 General Election. Press comments on the Election results were interesting. *The Winnipeg Free Press* declared that a powerful undertow had been working against the Provincial Conservative policy. "It is beyond doubt that a Conservative victory would have been acclaimed as a re-endorsation of Mr. Bennett's tariff policy . . . The emphatic rejection of Col. Taylor, fighting on an aggressive Party ticket, must, consequently, be given its full measure of significance in relation to the Dominion situation." *The Winnipeg Tribune* pointed out that the Conservatives lost the Election when they rejected Mr. Bracken's offer to establish a non-Party Government in Manitoba; that the result was "a denunciation of partizanship, especially partizanship that is strongly in evidence when the clear call is for high public service." *The Mail and Empire,* Toronto, claimed that the Conservative defeat was partly due to the revival of the 17-year-old scandal in connection with the ousting from office of the Roblin Government of Manitoba in 1915 by the appearance on the Conservative platform of Sir Rodmond Roblin during the Election; the running of his son as a Conservative candidate and the inclusion of John T. Haig as one of the Conservative leaders who, although not responsible in any way for the misdeeds which had brought about the Roblin Government collapse, had been "one of its most loyal supporters in the days of its dishonour and disgrace."

The 1932 Session of the Legislature

The Fifth Session of the Eighteenth Legislature of the Province of Manitoba was opened on Feb. 29, 1932, by Hon. J. E. P. Prendergast, A.M., LL.D., Administrator of the Government of the Province in the absence through illness of the Lieutenant-Governor, Hon. J. D. McGregor. The Speech from the Throne dealt with the following matters: the discontinuance of certain land and property taxes by the Government to offset the continued low prices of agricultural products; the relief afforded by the Debt Adjustment Act; the increase in unemployment in spite of the assistance rendered by the Unemployment and Farm Relief

Act, 1931; the opening of Port Churchill and the successful voyage of two ships laden with grain from Churchill to Liverpool; the completion of that portion of the Trans-Canada Highway within the boundaries of the Province; the International Peace Garden project; representations made by the Government to the Royal Commission investigating railway problems; the decrease in the mortality rate from common communicable diseases; the proposed combination of the Provincial Police and the Royal Canadian Mounted Police; and the increased financial burden imposed by the exchange situation between Canada and the United States. Legislation was to be introduced concerning the relief of agricultural districts; the discontinuance of certain municipal taxes; the ratification of agreements with various Canadian Banks respecting the liability of the Province under the guarantee given in conjunction with the Provinces of Alberta and Saskatchewan for the Canadian Co-operative Wheat Producers, Limited; a more distinct delimitation of the respective fields of taxation by the Federal and Provincial authorities; and the discontinuance of the receipt of deposits at the Savings Office.

The Motion to present an Address-in-Reply to the Speech from the Throne was introduced by John Muirhead (Prog., Norfolk) and seconded by William Morton (Prog., Gladstone). The Debate was commenced on Mar. 2 by the Conservative Leader, Lieut.-Col. F. G. Taylor, who criticized the Government for the omission from the Speech of such matters as Redistribution, the Brandon Power plant, the Dawson River Power scheme, the Provincial Hydro-Electric system, Natural Resources, and the Seven Sisters deal; stated that the supplying of work instead of the dole was the solution to the unemployment problem; touched briefly upon the coalition proposal; expressed the hope that there would be a full investigation of the closing of the Provincial Savings Offices; called for restriction in Government expenditure; and demanded an immediate General Election. Dr. Murdoch MacKay, speaking for the first time as Leader of the Liberal group, was favourable to the Government proposals contained in the Speech from the Throne. A sharp attack on the Government by John Queen, Leader of the Independent Labour group, on Mar. 3 was wound up by a want of confidence Amendment to the Motion to present an Address-in-Reply to the Speech from the Throne. This was lost on division 4 to 9 on Mar. 4, upon the question being put. The Debate was concluded by W. Ivens (Lab., Winnipeg) on Mar. 8 and the Motion to present an Address-in-Reply to the Speech was passed without a division vote.

The Budget Speech of 1932. The Provincial Treasurer, Hon. John Bracken in introducing his Budget on Mar. 21, 1932, emphasized the disastrous economic effect occasioned by the decline in prices and the low yields of agricultural products, the value of which had decreased from $88,000,000 in 1930 to $56,000,000 in 1931. As a consequence of these conditions revenues of the Government were seriously affected; the total expected loss of revenues "would be in excess of $2,000,000." On the other hand expenditures had increased owing to the demands in connection with unemployment relief. In the previous 18 months, Mr. Bracken stated, the combined expen-

ditures in Manitoba for works and relief in an effort to assist the 40,000 unemployed amounted approximately to $8,000,000.

The Provincial Treasurer explained that in April, 1931, a $2,040,000 two-year bond issue had been sold at an interest cost to the Government of 3.97 per cent., and in July and August an issue of $2,122,000 face value 10-year 4½ per cent. debentures and an issue of $2,672,000, 20-year 4½ per cent. debentures; the interest cost to the Province of this $4,794,000 face value of debentures was slightly less than 5 per cent. The effect of the premium on New York funds, Mr. Bracken stated, had threatened to be serious as the Province had had maturing in New York on Jan. 15, 1932, an amount of $2,000,000. A loan was secured, however, from the Dominion Government sufficient to retire one-half plus the premium thereon, the other half being renewed at the Bank for three months at 6 per cent.

The Provincial Treasurer dealt with Provincial relief of unemployment and the agreement entered into with the Dominion Government under the Federal Act of 1931. In the case of approved works the Dominion agreed to lend to the Province the money with which to pay the Provincial share and the Municipalities' share and the Province in turn agreed to lend to the Municipalities for their share of the works. The estimated total cost of works approved in Manitoba as measures for relief to date was as follows: Municipal share, $998,004; Provincial share, $2,667,504; and Dominion share, $2,963,986; total, $6,629,495.

In addition to the cost of approved works, Mr. Bracken stated that it had been necessary to grant aid to the Municipalities for the purpose of meeting the cost of direct relief. This cost of direct relief from May 1, 1931, to Aug. 31, 1931, was as follows: Municipal share, $220,648; Provincial share, $233,926; Dominion share, $233,926; total, $788,500. The estimate of the cost of direct relief from Sept. 1, 1931, to Feb. 29, 1932, was as follows: Municipal share, $618,098; Provincial share, $685,101; Dominion share, $685,101; total, $1,988,299.

The total estimated cost of direct relief from May 1, 1931, to Feb. 29, 1932, was as follows: Municipal share, $838,746; Provincial share, $919,027; Dominion share, $919,027; total, $2,776,800. Loans from the Dominion Government to the Province for direct relief covering the Province's share and the Municipalities' share, for the months of September, October, November and December, 1931, totalled $794,733. In addition, the Dominion Government had stated their willingness to lend to the Province amounts for the same purposes for the months of January, February and March of 1932.

The following were some of the general lines of the Government's financial policy as defined by Mr. Bracken: drastic cut in expenditures; the discontinuance of capital expenditures except for relief purposes; the carrying on of relief on a cash basis, borrowing no more for the time being except for meeting bond maturities; the reduction of land taxes in order to lessen the burden on agriculture; the reduction of Provincial levies on Municipalities to assist them in their difficulties; tax adjustments on corporations, incomes, gasoline, trucks and luxuries, sufficient to provide for the cost of the reduced services.

The Estimated Expenditures for the fiscal year ending Apr. 30, 1933, were announced by the Provincial Treasurer as $13,692,044 with Estimated Revenues of $13,717,688, leaving an Estimated Surplus of $25,644. The proposed Expenditures as compared with the Expenditures of the previous year were $1,013,486 less, while the Estimated Revenues were $987,842 less. The principal reductions in Expenditures by Services were summarized as follows: salaries, $350,000 (8 per cent. to 18 per cent.); supplies and expenses, $280,000 (11 per cent.); secondary school grants, $56,000 (13 per cent.); university grants, $100,000 (20 per cent.); mothers' allowances, $49,000 (10 per cent.); aids to Municipalities, $150,000 (50 per cent.); maintenance of good roads, $325,000 (32 per cent.); law enforcement and public service, $115,000 (46 per cent.); sundry grants, $212,000 (28 per cent.); miscellaneous, $103,000 (52 per cent.); total, $1,740,000.

Mr. Bracken stated that Estimates only were available for the statement of the 1931-32 Deficit, which would probably be about $3,000,000 and which would be met out of deferred subsidy.

The original taxation changes as announced in the Budget were later modified, owing to strong opposition. They are given here in the modified state and as finally enacted as measures before the close of the Session: the repeal of the Child Welfare and Soldier's Taxation Relief levies on land; the reduction of exemptions from the Income Tax from $3,000 to $1,500 for married persons and householders, and from $1,500 to $750 for single persons: the discontinuance of the 20 per cent. discount formerly allowed on the Income Tax, and the imposition of a surtax on the amount paid by persons with incomes in excess of $5,000; the increase of the Income Tax on corporations not taxed under the Corporations Tax Act, from two to five per cent. and the removal of the existing exemption of $1,000; increase from two to three per cent. of the tax on the premium income of all insurance companies; a higher basis of taxation for banks; an increase in the amusement tax; the raising of the Gasoline Tax from six to seven cents per gallon; and the imposition of a 15 per cent. surtax on duties payable under the Succession Duties Act.

The Provincial Treasurer stated that the Balance Sheet of the Manitoba Farm Loans Association at the end of the fiscal year Apr. 30, 1931, showed that it had borrowed $10,401,406; that at that date there was owing to the Association for mortgages and agreements for sale, $7,797,281; that, in addition, it held as real estate some 145,293 acres of farm lands; and that the new Board reported that it was impossible at the time to make anything like an accurate estimate of what the eventual loss would be on account of the difficulty of arriving at a fair valuation under existing economic conditions. In connection with Rural Credits, the principal of loans outstanding at Aug. 31, 1922, being the amount which the Province had borrowed, was $2,996,974; and the balance of principal outstanding to date was $1,095,579. Mr. Bracken stated that owing to the inquiry then proceeding he would make no reference to the Provincial Savings Offices.

Mr. Bracken's proposed legislation to provide for a system of voluntary debt adjustment was declared by John T. Haig (Cons., Winnipeg), in the Debate on the Budget, to be absolutely useless and he stated that, if returned to power in the pending Provincial General Election, the Conservative Party stood pledged to introduce legislation to provide for compulsory debt adjustment in Manitoba. The proposed taxation increases were attacked by Mr. Haig and he charged the Bracken Government with having ruined the commercial enterprises and social services started by the Liberal Norris Government. In view of this fact he found it difficult to understand the support now being given the Government by the Liberals. Other speakers in the Debate were A. J. M. Poole (Prog., Beautiful Plains), S. J. Farmer (Ind. Lab., Winnipeg), W. Sanford Evans (Ind. Con., Winnipeg), J. W. Breakey (Lib., Glenwood) and Mr. Bracken. The Motion to go into Committee of Supply was adopted on Mar. 28.

Legislation and Committee Reports. The Fifth Session of the Eighteenth Legislature of Manitoba was prorogued on May 7, 1932. In addition to measures enacted providing for the raising of certain funds for the Public Services and also for special revenue taxation for relief and general Provincial purposes, several of the Bills passed aimed at other forms of amelioration of the unusual economic situation in the Province.

The more important of the Relief Acts were as follows: An Act to Facilitate the Adjustment of Debts; An Act to Enable Rural Municipalities to Purchase and Distribute Seed Grain and Fodder in the Current Year and two Amendments to the Act; An Act respecting Unemployment Relief; Amendments to the Chartered Acts of Winnipeg and St. Boniface which provided for automobile licence taxes limited to $5 for cars and $10 for

trucks and for an electricity tax of 10 per cent. with $25 as a maximum tax which would not apply to electricity bills of $2 or less.

Acts relating to financial agreements by the Government were: An Act to Validate and Ratify certain Agreements relating to the Manitoba Provincial Savings Offices and certain Securities issued and certain Pledges given thereunder; An Act to Validate the Settlement of the Liability of the Province of Manitoba under its Guarantees of the Re-Payment of Advances made by certain Banks to Canadian Co-operative Wheat Producers Limited and to Validate the Securities issued and to be issued by the Province in connection therewith; an Act to Authorize the making of a series of Agreements between the Province of Manitoba, Manitoba Wheat Pool, Manitoba Pool Elevators Limited and certain Co-operative Elevator Associations: to Validate certain Agreements and to ratify the giving of financial assistance to Manitoba Pool Elevators Limited.

Other measures of the Session were: An Act providing for two deferred Elections in the Provincial General Election of 1932; An Act creating a Department of Industry and Commerce; An Amendment to the Old Age Pensions Act to meet the change in the Dominion Act; An Act to facilitate the orderly payment of Debts; Amendments to the Child Welfare Act; An Act to Amend the Highway Traffic Act; An Act to Amend the Hospital Aid Act; The Insurance and Insurer's Act; The International Peace Garden Act; An Amendment to the Mortgage Act; An Amendment to the Municipal and Public Utility Board Act; An Act respecting Titles to Crown Lands affected by the Natural Resources Agreement; an Amendment to the Provincial Lands Act; An Act to Amend the Manitoba Summary Convictions Act; several Amendments to the Municipal Act; and an Act empowering the City of Brandon to operate a Passenger Transportation system.

The Report of the Special Committee appointed during the 1931 Session of the Legislature to consider and report upon the Redistribution of the Electoral Divisions of the Province was presented to the House on Apr. 25 during the 1932 Session. The Committee stated that they had met on two occasions, Sept. 15, 1931, and Jan. 13, 1932, and had finally reached the conclusion that, in view of the approach of the Provincial General Election and in view also of the Legislature convening in the very near future, the number of constituencies should remain as "at present constituted," with a few minor changes to be later determined. The Report was adopted by the House.

Another Special Committee of the 1931 Session presented their Report during the 1932 Session. Appointed to inquire into Health and Public Welfare matters in the Province this second Committee offered the following recommendations in their Report which was adopted by the House: (1) that a Commission, consisting of three members representing, respectively, the public generally, the medical profession and the Union of Manitoba Municipalities, be appointed to consider the health needs of the Province as a whole and to formulate a plan on a sound actuarial basis whereby health services would be available to every resident of the Province at a reasonable cost, which should be provided for in advance and distributed equitably; (2) that in the formulation of any plan for Provincial health services the feasibility of municipalization in rural areas and health insurance in urban centres be considered and that as far as possible the right of a district to choose its type of local health service and the right of the individual to choose its physician be recognized; (3) that there be a complete revision of The Public Health Act; (4) that the composition of the Provincial Board of Health be changed; (5) that amendments be made to The Municipal Act in order to assist the scheme; and (6) that the work of the dental and tuberculosis clinics be encouraged.

The Public Accounts Committee in submitting its Second Report to the House on May 4 recommended with regard to municipal unemployment relief that a conference of suburban municipalities be called and the following matters placed before it for consideration: (1) the inadequacy of relief and (2) the adoption of a definite policy with respect to the payment or

rents. The Committee found that contrary to the regulations laid down by the Dominion Government, it was the practice in some municipalities to make certain deductions from pay cheques issued in connection with unemployment relief works and to require recipients to account for every cent expended. It was recommended, therefore, that the attention of municipal authorities be again called to the regulations. With regard to the thefts in the Treasury Department, the Committee stated that evidence showed that since the occasion there had been put into effect by the Comptroller-General a new system of auditing and that if this system had been used previously the defalcations would have been disclosed.

In an Amendment moved by F. Y. Newton (Con., Roblin) to the Motion that the Report be adopted by the House, was the claim that the Government had transferred from the Provincial Savings Offices $360,000, some of which went to the Farm Loans Board and some to General Account and that during the fiscal year under consideration the Dominion Government securities held by the Provincial Savings Offices were sold by the Province to pay some of the indebtedness due to Chartered Banks and further "that securities held by the Manitoba Telephone System in reserve or in Sinking Fund Account was taken by the Province and their own security substituted therefor and the securities being taken being Dominion Government securities and these were sold to pay certain capital charges." Another item in the Amendment pertained to Farm Loans: "that very large sums were in arrears and the estimated loss of $1,000,000 made by the Farm Loans Board was very much too low and that an estimate of at least three times that amount would be nearer correct. It would appear that the Board did not encourage the helping of farmers with seed in connection with putting the lands on which the Board holds mortgages in crop." With regard to unemployment, it was claimed in the Amendment that the Provincial Government had no unemployment policy. Both the Amendment and a Sub-Amendment to the Amendment were lost on division and the main Motion was adopted on May 6.

In answer to questions of John T. Haig (Con., Winnipeg) the Prime Minister placed a statement before the House showing the Provincial indebtedness to chartered banks as at Feb. 20. Manitoba's debt to the Canadian Bank of Commerce in connection with the advance of large sums to the Government during the run on the Provincial Savings Office amounted to $3,126,434 against which the bank had been given sufficient collateral. The amount owing to the Bank of Montreal was $181,993 in connection with the Farm Loans account and for which no other security had been given except the Province's guarantee. The debt to the Royal Bank of Canada amounted to $617,774. Securities had been given in this case to cover the amount of the loan.

The Provincial Savings Offices Inquiry. The Special Committee of eight Members of the Legislature, appointed to inquire into all matters and circumstances relating to the closing of the Provincial Savings Offices, presented its final Report to the House on May 5, 1932. The main findings of the Committee were as follows: (1) that the Offices had been in a sound position at Aug. 31, 1931; (2) that the deposits were invested in strict accordance with the Statutes; (3) that following the precipitous decline in the securities' market the Government had secured an adequate credit of $1,000,000 to meet possible emergencies; (4) that the Savings Offices' business had been normal up to Jan. 11, 1932, when rumours started the run which resulted in its closing and which "apparently were in part the result of a deliberate and organized campaign"; (5) that rumours which had been traced to individual citizens were circulated by persons named in the Report; (6) that had the Dominion Government given the necessary guarantee as requested, the Savings Offices could and would have been saved to the Province and that by giving such guarantee it would not have been necessary for the Dominion Government to have assumed any greater responsibility than they assumed

when they finally guaranteed the banks; and (7) that the action of the Dominion Government in refusing such request could not be justified in view of the guarantee given later by them to the banks and in view of assistance given to other Provinces. The Committee found that the suggestion made that Mr. Bracken had gone East in company with any other person or persons for the purpose of selling the Savings Offices or that he or any person or persons associated with him at any time offered to sell the Savings Offices was without foundation.

In connection with the last item in the Report, as to Mr. Bracken's offer or wish to sell the Savings Offices, the matter arose in the House of Commons on Apr. 19 when, in reply to a question put by A. L. Beaubien (Provincher) as to whether or not Mr. Bracken had arrived at the conclusion to close the Savings Offices (these Offices were closed on Feb. 19) after the Dominion Government had refused to guarantee the deposits and which guarantee the Government gave to the chartered banks afterwards, the Dominion Prime Minister (Mr. Bennett) stated "that is not my understanding of the situation. Premier Bracken and Mr. Williams attended at my office and the statement they made clearly indicated that they concluded it was not wise under existing economic conditions to continue their Savings Offices." Mr. Bennett had previously described the discussion at his office when Mr. Bracken and his legal advisor, Mr. E. K. Williams, on Jan. 27, explained that all the assets they had with which to meet depositors claims consisted of exchequer bills and bonds of the Province of Manitoba, some bonds of the City of Winnipeg, some Dominion of Canada bonds which were no longer in their possession but which had been hypothecated by way of option sale to the Canadian Bank of Commerce with which their account was being carried. "They also intimated to me there were resources in cash borrowed on Dominion bonds which they had on deposit in the bank with which to meet the claims of those who had made deposits in the Savings Offices. They expressed the fear that a situation might develop which would require action being taken very speedily on their part."

Letters and telegrams covering the correspondence between the Dominion Prime Minister, the Provincial Prime Minister and the banks, had been laid before the Committee. The banks had refused to lend to the Province unless the added security of the Dominion Government could be obtained by the Province. Mr. Bennett had asked for details and after consideration had informed Mr. Bracken that he would be advised of the terms upon which help would be forthcoming on the following day (Feb. 11). On the next day a letter had been received by Mr. Bracken from the Bank of Montreal suggesting that the Provincial Government send a formal request to the banks for the taking over of the Savings Offices. The form of request and the terms were indicated in the letters. One condition was that the Government summon the Provincial Legislature within fourteen days and repeal the Provincial Savings Offices Act. As finally accepted the terms of the agreement did not require the repeal of the Act. The Government had undertaken to discontinue the taking of deposits in any of the Offices. They agreed to issue Treasury Bills payable in one year at 5½ per cent. to the amount of the deposit liabilities of the Savings Offices. All securities of the Savings Offices were to be delivered to the banks to be held as collateral until the Treasury Bills were paid off and the banks assumed liabilities to depositors.

When approached the second time in the House of Commons on the subject (Apr. 21), Mr. Bennett stated that when he had seen Mr. Bracken's denial that he had endeavoured to sell the Savings Offices to the banks he (Mr. Bennett) had immediately telephoned to the banks and found that on the date indicated, namely Jan. 26, "Mr. Bracken, with Mr. Williams, went to Montreal and he there endeavoured to sell the Savings Offices to the banks, as he did in Toronto. When he came to me on the succeeding day he stated just what that meant, that is, that he had concluded to take the step that I have alluded to. I think he is confusing two occasions. He did not speak of

taking the action I indicated the first time he saw me but on the occasion in January, that I mentioned, the discussion took place." The Prime Minister intimated that if the banks in Montreal or Toronto were telephoned to it would be found that the effort had been made to dispose of the Savings Offices.

Upon presentation of the Report to the House and on Motion that it be concurred in, a debate arose during which an Amendment, moved by S. J. Farmer (Ind. Lab., Winnipeg), and a Sub-Amendment, moved by Sanford Evans, (Con., Winnipeg), were introduced and negatived on division, following which the main Motion was adopted on division.

Education. The Annual Report of the Department of Education (Minister, Hon. Robert Alexander Hoey) covered the year ended June 30, 1931. Instruction by correspondence for children not provided with regular school facilities, formerly in the subjects of Grades I. to VIII., was extended for the following year to include Grade IX. 600 students took advantage of this tuition and 450 wrote the Departmental examinations. The programme of high school lessons by radio, which had been carried on for some years in co-operation with the Manitoba Teachers' Federation, was also extended—to include topics from the curriculum for Grades IX. and X. in addition to lessons for Grade XI. classes as formerly. In 1930 the Education Department Act was amended so as to enable the Minister to control the sale and distribution of authorized text books through a special bureau and arrangements were made to place the Manitoba Text Book Bureau in operation for the ensuing year. Approval of the new programme of studies was expressed by several Inspectors, who also reported an appreciative attitude towards it and willingness to carry it out on the part of teachers. The Department forwarded 280 libraries and received 283 from July 1, 1930, to July 1, 1931, with a circulation of 132,942 books. The Normal Schools enrolled 108 men and 462 women and the Manitoba Summer School, 954. During the year there was a total of 153,553 of pupils of all grades enrolled in the Province; 135,209 in the elementary and 18,344 in the secondary grades. The average daily attendance was 120,703. The number of schools in the Province were: intermediate, 121; high, 48; collegiate departments, 13; collegiate institutes, 22; and junior high, 14. Teachers' salaries amounted to $5,387,399.90; new Debentures approved, $733,000; and disbursements, $11,715,425.31. Total grants for all education in the Province amounted to $2,023,594.54.

At the Second Session of the University of Manitoba Convocation (May 18-19, 1932), the Honorary Degree of Doctor of Laws (LL.D.) was conferred upon Rt. Hon. Arthur Meighen, Member of the Senate of Canada, Dominion Minister without Portfolio and Member of the Hydro-Electric Power Commission of Ontario; D. C. Coleman, Vice-President, Western Lines, Canadian Pacific Railway Company; and W. J. Black, Director of the Canadian National Railways' Departments of Colonization and Agriculture, and first Principal of the Manitoba Agricultural College. The Chancellor of the University, Most Rev. S. P. Matheson, former Primate of the Church of England in Canada, presided at the Sessions, at the second of which approximately 400 degrees were granted and the corner stone of the new Science Building laid. The Agricultural College reported a total enrolment for the 1931-32 session of 390 students, 310 of which were in the Long Courses and 80 in the Short Courses.

Natural Resources: Mines, Forests, Lands and Power. Following the transfer of the natural resources to Manitoba on the 15th of July, 1930, the Department of Mines and Natural Resources was organized, with the Forest Service, Lands, Water Power, Mines, Game and Fisheries, and Surveys Branches under its administration, and with Hon. John S. McDiarmid as Minister.

The total mineral production of the Province in 1931 was valued at $10,004,209, which was divided as follows: metallics, $7,119,379; non-metallics, $311,978; clay products, $122.628; and structural materials, $2,450,224. This

estimate showed that the value of mineral production had nearly doubled that of 1930 in spite of lower prices and the falling off in the demand for metals such as copper and zinc. The increase was reflected in the production of metals, both precious and base, which for the first time in the history of the Province exceeded in value that of the non-metallics. The Flin Flon mine operated throughout 1931 at a capacity of 3,000 tons per day, producing copper, zinc, gold and silver, and, for the first time in Manitoba, a small quantity of selenium appeared in the returns from the copper refineries. The ore averaged 1.94 per cent. copper, 3.82 per cent. zinc, .089 oz. of gold and 1.09 oz. of silver, and the production during the year amounted to 31,068,556 lb. of copper, 35,056,199 lb. of zinc, 73,000 oz. of gold and 702,128 oz. of silver. The Company smelted on toll 32,659 tons of customs ores and concentrates. At the Island Falls Power Plant, supplying electric power for both the Flin Flon and Sherritt Gordon mines, there was generated a total of 166,630,000 kilowatt hours and the load factor was 80.5 per cent. The first unit of the Sherritt Gordon mill was put into operation early in April, 1931, and concentrates were shipped regularly to the Flin Flon smelter. From 214,081 tons of ore mined, 14,718,387 lb. of copper, 4,039.17 oz. of gold and 125,844.99 oz. of silver were produced. During 1931 the Central Manitoba mine continued as the largest direct producer of gold and silver, the output being 25,587.058 oz. of gold, and 3,796.89 oz. of silver, valued at $528,951 and $1,034 respectively.

The Lands Branch of the Department reported for the fiscal year ending Apr. 30, 1931, a total revenue of $45,262 as compared with $40,819 in the year 1930. The amount outstanding on account of land sales was $810,227 ($424,997 of the amount being School Lands not included in the previous year's figures). This represents the amount outstanding on an area of 126,756.96 acres of land under sale (41,055.42 being School Lands not previously included). Unsold lands held by the Province totalled 273,917.77 acres in unsurveyed territory and also 7,608,534.48 acres of School Lands. Lands sold during the year 1930-31 ranged in value from $2 to $21 per acre. An average price of $6 per acre was obtained covering the land sold during the year.

The fur catch of the Province for the season 1930-31, exclusive of licensed fur farms, had an approximate value of $520,275. Fur farms were on a commercial basis and at the end of the fiscal year numbered 286. The fish production for the year 1931 totalled 18,947,800 lb. The value of the catch to the fishermen was $907,112 and the value as marketed represented $1,223,902.

The developed water power in the Province at the end of the fiscal year totalled 447,300 h.p., generated at the following plants, (the Manitoba Power Company and the North Western Power Company being subsidiary companies of the Winnipeg Electric Company): City of Winnipeg—Pointe du Bois, 105,000 h.p., and Slave Falls, 24,000 h.p.; Winnipeg Electric Co. (Pinawa), 37,800 h.p.; Manitoba Power Co. (Great Falls), 168,000 h.p.; and North Western Power Co. (Seven Sisters), 112,500 h.p.; a total of 447,300 h.p. The Slave Falls and Seven Sisters sites were only partially developed. When completed to ultimate capacity it was expected that they would be capable of producing 96,000 h.p. and 225,000 h.p. respectively.

By the purchase of the Brandon Utilities from the Canada Gas and Electric Corporation during the fiscal year ended Nov. 30, 1931, the Manitoba Power Commission added 3,550 electric customers, 1.255 gas customers and 225 steam-heating customers to the number formerly served. In accordance with the provisions of a new Act passed during the 1931 Session, creating a Power Commission of three members, a new Commission had been appointed in October, 1931, comprising: D. L. McLean, Commissioner under the old Act, as Chairman; J. W. Sanger, Chief Engineer of the City of Winnipeg Hydro-Electric System, and Herbert Cottingham, Chairman of the City of Winnipeg Parks Board, Commissioners. There were 82.5 miles of line constructed during the year 1931 which supplied power to Virden, Teulon, Bradwardine, Kenton, Harding, Lenore and Napinka, the total mileage for the system being 1,015.5

miles. Exhibits of various electrical equipment were held at Brandon, Portage la Prairie and Carmen Fairs. Earnings of the Commission as given in the Annual Report were $711,025, showing an increase of $333,801, while the expenses were $567,526, leaving a gross profit of $143,499; deducting $83,806 for replacement, $41,153 for sinking fund and $13,000 for accounts receivable, the surplus for the year remained at $5,540. Operating capital stood at $4,426,135.

The Annual Report of the Manager of the City of Winnipeg Hydro-Electric System for the calendar year 1931, claimed that in nearly every year after the opening of the Pointe du Bois plant, in 1911, there had been a substantial operating surplus. For 1931 the operating surplus was $138,302. A decrease of $16,700 in revenue for the year from commercial and industrial business had been experienced, but an increase of $55,000 from domestic customers compensated for the loss. Gross income for the year was $4,265,582; after deducting operating expenses, etc., the net income was $2,148,648; and after deducting fixed charges, etc., the surplus for the year amounted to $122,778. Kilowatt hours sold numbered 353,495,901. The new hydro-electric plant at Slave Falls, built at a cost subtantially less than the amount authorized, was officially opened on Sept. 1, 1931. Work on the transmission line between Slave Falls and Winnipeg was also completed, making 6 transmission circuits supplying power from the System plants to Winnipeg. The new line was designed to operate ultimately at 132,000 volts, but in order to secure minimum operating costs for a few years, it was to operate for a time at 66,000 volts.

Health and Public Welfare; Other Departments. The Report of the Department of Health and Public Welfare for the year ended Apr. 30, 1931, stated that total expenditures for the year were $2,203,966, of which $488,937 was for child welfare. Increased use of the Bacteriological Laboratory was reported. It was stated that the Public Health Nursing Service had been re-organized, the cost of the Service being borne by the Department as the Health levy on the municipalities had been discontinued. Free clinics were held at 20 points during the year. The Division of Disease Prevention showed increased activity in the control of diphtheria and the prevention of typhoid. Diphtheria cases showed a decline due to toxoid programmes, there being 526 cases reported with 45 deaths. Smallpox cases were 9, the lowest number ever recorded in the Province. The year was an epidemic one for measles, 4,068 cases being reported. There were 149 typhoid cases, the highest number since 1922.

According to the Bureau of Vital Statistics, births in Manitoba for the year 1930, exclusive of stillbirths, totalled 14,453; marriages, 5,061, a decrease of 208; and deaths, 5,712, a decrease of 98, as compared with 1929.

The Workmen's Compensation Board handled 8,274 cases during 1931, as compared with 10,329 in 1930, a falling off of 19.9 per cent. The decrease in accidents was most marked in the steam railways as in the previous year, although there were 30.4 per cent. fewer. Fatal accidents reported numbered 41, as compared with 52 in 1930, having decreased 17.3 per cent. On Dec. 31, 1931, the Board had on its books 574 dependants of workmen killed in industry during the period Mar. 1, 1917, to Dec. 31, 1931—a net addition of 15 dependants during 1931. Actual cash disbursed by the Board during the year amounted to $980,960, as compared with $1,024,983 disbursed during 1930. The effect of the Amendment to "The Government Employees Compensation Act" passed at the 1931 Session of the Parliament of Canada, whereby "all Servants of His Majesty in the right of the Dominion of Canada who are paid a direct wage or salary by or on behalf of His Majesty, excluding however, members of the Military, Naval or Air Forces in Canada," was to extend coverage to employees of departments not heretofore under the Act, after June 11, 1931.

Applications for pensions received under the Old Age Pensions Act (under the administration of the Workmen's Compensation Board) during the fiscal year ended Apr. 30, 1932, numbered 1,897, bringing the total since the inception of the Act in Manitoba up to 10,536. 607 pensioners died during the year, making the total number of deaths, 1,981. The Federal Old Age Pensions Act

was amended Aug. 3, 1931, providing for new agreements between the Provinces and the Dominion Government and empowering the Federal Authority to pay 75 per cent. of the cost of pensions. The agreement with the Province of Manitoba was signed effective as from Nov. 1, 1931. The total amount paid to pensioners during the year was $1,631,896. Cost of administration was $17,094, while the total cost to the Province was $624,126.

The Annual Report of the Government Liquor Control Commission for the fiscal year ended Apr. 30, 1931, stated that liquor sales during that period had amounted to $4,053,118; revenue from beer licences, $2,453,481; and other revenue $677,635; a total of $7,184,235, or a decrease of $1,177,887 over the previous year. The total cost of trading was $4,713,610 and operating expenses, $603,841, giving a net profit of $1,866,783. The sum of $87,419 was expended during the year for law enforcement of the Act.

According to the Report of the Department of Public Works (Minister, Hon. W. R. Clubb), for the fiscal year ended Apr. 30, 1931, the Government spent $1,067,614 on direct unemployment relief during the Winter of 1930-31, as compared with $64,282 during the same period in 1929-30. In addition, $1,650,000 was expended during the year ended Apr. 30, 1931, on public works' programmes to provide employment. Direct relief given benefited 13,131 families between Oct. 1, 1930, and Apr. 30, 1931, and the unemployment relief projects gave 25,150 men work in the Winter period, supplying 257,965 man-hour days, or an average of 10.26 days' employment for each man. The Province was not responsible for the total sum spent in Manitoba on relief, the Dominion Government and the municipalities contributing on the basis agreed upon (see "Budget" and Section: "Labour Conditions in Canada"), but $1,650,000 of the $2,592,421 which had been provided for the public works construction programme had been spent by the end of the fiscal year, the Provincial Government's share being $683,470. Expenditures on construction and maintenance of all classes of roads and highways during the fiscal year amounted to $2,998,612, of which the Province's share was $2,480,669. Under the supervision of the Reclamation Branch, $189,140 was spent in alleviating unemployment, most of it in construction and improvement of roads in unorganized territories. The total expenditure of the Good Roads Branch amounted to $1,017,757, which included also $19,742 for surveys; $186,901 in capital expenditures, mostly in drainage work; and $621,973 to aid municipalities in making improvements.

The Bureau of Labour, administering "The Bureau of Labour Act" made 16,986 inspections for the year and gave 8,639 orders. The Minimum Wage Board, administering "the Minimum Wage Act," reporting for the year ended Apr. 30, 1931, stated that an amendment had been passed at the 1931 Session of the Legislature, bringing boys under the age of 18 years within the reach of the provisions of the Act. 92 claims for wages had been adjusted, and the collection of these, involving the sum of $1,343, was effected by the Bureau of Labour.

Agricultural Conditions; Reports and Organizations

It was stated in the Report on Crops, Live Stock, etc., dated Dec. 31, 1931, and issued by the Department of Agriculture and Immigration, that the Winter of 1930-31 had been a mild one, with only a light snowfall. Spring came a little earlier than usual, bringing a dry soil and low water supplies. Drought prevailed during the early Summer, especially in the South-Western corner of the Province; from July 1 there was about one good general rain a month. Grasshoppers, potato beetles and certain insect pests were very prevalent. There was little rust damage, most of it being confined to the later crop. Grain-cutting and threshing began early, but crop yields were disappointing. Weather conditions in the Autumn favoured the early completion of Autumn ploughing and many of the fields for the next year's fallow were also treated. Frost held off until well into November and mild weather prevailed during the early part of the Winter.

Field Crops, 1931

	Area Acres	Yield per Sown Acre Bus.	Total Yield Bus.	Average Price per Bus.	Total Value
Wheat	2,577,780	10.5	27,000,000	$0.41	$11,070,000
Oats	1,495,944	17.0	25,500,000	.19	4,845,000
Barley	1,112,863	13.8	15,400,000	.21	3,234,000
Fall Rye	33,799	14.2	480,000	.24	115,000
Spring Rye	15,329	11.8	181,000	.24	43,000
Peas	1,300	16.0	21,000	1.05	22,000
Buckwheat	2,800	15.7	44,000	.55	24,000
Mixed Grains	11,324	20.5	232,000	.20	49,000
Flaxseed	97,562	4.6	450,000	.81	365,000
		cwt.	cwt.	per cwt.	
Potatoes	37,300	75.0	2,800,000	.38	1,064,000
Turnips, etc.	4,500	118.0	531,000	.44	234,000
		tons	tons	per ton	
Hay and Clover (exclusive of wild hay)	294,888	1.4	413,000	7.75	3,201,000
Alfalfa	11,508	1.7	20,000	10.00	200,000
Fodder Corn	12,000	3.7	44,000	4.50	198,000
TOTAL	5,708,897				$24,664,000

The aggregation of various branches of agricultural production for 1930 and 1931 were given for the purpose of comparison (the amounts opposite Field Crops are gross) as follows:

	1930	1931
All Field Crops	$52,463,000	$24,664,000
Live Stock Increase	14,381,000	11,988,000
Wool	100,000	53,000
Dairy Products	12,900,000	11,939,000
Poultry Products	5,824,000	4,998,000
Garden Products	2,000,000	2,000,000
Honey	910,000	515,000
TOTAL	$88,578,000	$56,167,000

The Live Stock Branch reported that at June, 1931, there were 326,529 horses on the farms of Manitoba; the Province continued about on a basis of self-support so far as horse production was concerned and, the Report added "the present tendency on the farm is to avoid the expense of gasoline for power work, and to substitute horse power." According to the census of 1931 there were 677,668 cattle as compared with 631,092 as at the 1926 census. Feed shortage resulting from the 1931 drought restricted cattle feeding to a certain extent, but general sentiment, it was said, favoured expansion in the industry, especially in the keeping of milk-producing stock. The average price realized on the St. Boniface markets in 1931 was $3.75 per cwt. for older cattle and $5.00 per cwt. for calves, and was the lowest recorded for many years. The price decline was almost continuous throughout the twelve months. The number of calves marketed at St. Boniface increased by almost 3,000 head and older cattle by about 25,000 head. Owing to the United States Tariff, only 47 head of feeder stock went South during the year, as compared with 60,964 two years earlier. Sheep population was reported at 213,936 in 1931, an estimate almost double that of 1926, which was 112,703 sheep. Sheep marketings at Winnipeg were more than 10,000 greater than in 1930, the increase being attributed to the relative scarcity of feed during the Autumn of 1931. The average price of $5.65 per cwt. paid on the Winnipeg market, was the lowest for many years. The expansion in pig-raising which began in 1930 left the farmers a heavy pig population to feed in 1931: at June it was estimated at 387,646. In addition to the reduction in farm feed supplies there was a decline in pig prices. The average price for the year of $5.65 paid on the St. Boniface market was unprecedentedly low; during the last month of the year the average was only $3.60 per cwt. Deliveries of Manitoba-raised pigs on the St. Boniface and Winnipeg markets during the year were the highest since 1927, numbering 268,710 as compared with 200,131 in 1930; similarly heavy deliveries were expected to come forward in the early part of 1932, but the Report added that: "the close of 1931 . . . showed evidence of a decided decline in pig-raising."

The 1931 wool production of the Province was estimated at 893,000 lb. of sheep's wool and 173,000 lb. of lambs' wool, a total of 1,066,000 lb. of wool; the wool value was estimated at $53,300, netting the grower an average of 5 cents per lb. f.o.b. his station.

According to the review of the Dairy Commissioner for 1931, the make of creamery butter during the year amounted to 21,078,073 lb., an increase of 5,291,177 lb., or 35.5 per cent. over 1930—a quantity which was greater than the make of the whole Province in 1914. Winter dairying was on the increase: in 1931, 31.5 per cent. of the total output of butter was made in the six Winter months and 68.5 per cent. in the six Summer months, May to October inclusive; for the same months of 1930 the percentages were 26.3 per cent. and 73.7 per cent. The Province shipped 433 cars of butter to outside points. These constituted 180,027 boxes, containing 10,081,512 lb., the approximate value of which was $2,167,525, or a little under 21.5 cents per lb. The average butter price for the year was lower than for any year after 1905: for creamery butter the average price was 21.5 cents; for dairy butter, 15 cents. Cheese production amounted to 522,851 lb., as compared with 560,008 lb. in 1930; the average price per lb. was 13.04 cents. Milk production totalled 239,476,500 lb. as against 209,397,000 in 1930, and the average price was 1.9 per lb. as compared with 2.16 cents the previous year. There were 57 creameries and 11 cheese factories in operation in the Province during the year. 42 Manitoba butter-makers exhibited creamery butter at the ten large exhibitions in Canada extending from Victoria to Ottawa, and won 53.4 per cent. of all first prizes and 47.3 per cent. of all prizes awarded.

The Annual Report of the Co-operative Marketing Board for the year ended Apr. 30, 1931, covered the usual investigational and educational work in support of the Co-operative Movement. Only six new co-operatives were incorporated in Manitoba during the year, compared with 30 during the previous twelve months, three of these being consumers' associations, two for the operation of community halls, and one a live stock shipping association. The Report indicated that grain (both for commercial and seed purposes), live stock, milk, cream, eggs, poultry, hay and wool were being marketed through co-operative channels, while other co-operatives were engaged in the sale of farm and household supplies and the operation of community halls, skating and curling rinks, weigh scales and beef rings. A substantial increase in membership in the 321 co-operatives of the Province was noted. The Co-operative Associations Act of 1925 was repealed at the 1932 Session of the Manitoba Legislature, by the passage of the new Companies Act, of which Part vi. is devoted to "Co-operative Corporations." The new legislation, very similar to the former act, provided that, in order to use the word "Co-operative" or the abbreviation "Co-op." in its name a corporation must adhere to the recognised co-operative principles of one member one vote, no voting by proxy (unless the member is a corporation), the limitation of dividends on capital to seven per cent. per annum, and the distribution of surplus profits on a patronage basis. Under this Act, which would come into force on Aug. 1, 1932, new charters were to be granted by the Provincial Secretary instead of by the Registrar of Co-operative Associations as formerly, the office of Registrar continuing, however, and no co-operative corporation could be created without his approval.

The Manitoba Wheat Pool and the Pool Elevators. Following the finding of the Commissioner, E. K. Williams, appointed by the Government to investigate certain charges laid against the Manitoba Pool Elevators Limited and the announcement of Government action in the matter on June 25, 1931, (See *The Canadian Annual Review 1930-31*, pages 236, 246) the Manitoba Pool Elevators Limited re-organized, the Wheat Pool having suspended operations. The Prime Minister had stated (June 25), among other proposals, that the Government would relieve all individual members of the Pool of any financial obligation to the Government on account of over-payment on the 1929 crop; that they would reduce the indebtedness of the Pool to the Government to an amount equal to such a valuation of the Elevators

held as security by the Government as would permit the system to operate on a business basis; that they would reduce the interest on the Elevator purchase contracts from seven to five per cent. *per annum*; and that they would extend the period of payment to 15 years or more on an amortization basis. These proposals were considered at a special meeting of delegates of Pool Elevator Associations held in Winnipeg, July 3-4, 1931, when the Prime Minister was present. It was decided that Mr. Bracken's proposals should be referred to meetings to be called by each Pool Elevator Association in order that they might be considered by the entire membership. At this meeting the delegates expressed "entire disapproval of the slur cast upon the Pool Elevator management and Pool Directors" by the Report of the Williams Commission.

Meetings of the 153 local Elevator Associations were held during the period, July 17-28, and, with one or two exceptions, the agreement with the Government was formally adopted. This procedure with the local Associations had been necessary as each Pool Elevator Association was an incorporated body. On July 30, delegates of the Associations again met when the agreement on behalf of the Associations was duly ratified and executed. At this first Annual Meeting of Manitoba Pool Elevators, R. F. Chapman, Ninga, and Stuart Gellie, Harmsworth, Directors, tendered their resignations. The Board elected for 1931-32 was as follows: C. H. Burnell, Oakville; Paul Bredt, Kemnay; W. G. A. Gourlay, Dauphin; W. J. Parker, Sanford; John Quick, Grandview; G. N. McConnell, McConnell; J. W. Baldwin, Reston. The Meeting gave the Directors authority to carry on a voluntary Wheat Pool for the 1931-32 crop; approved the suggestion of the Board that the coarse grain pool be abandoned for the time being; and also expressed strong disapproval of the Report of the Williams Commission. At the first meeting of the Board Paul Bredt was elected President and C. H. Burnell, Vice-President. The agreement entered into with the Manitoba Government was a four-party one and included the local Elevator Associations, Manitoba Pool Elevators Limited, Manitoba Wheat Pool, and the Province of Manitoba. The inclusion of Manitoba Wheat Pool was due to the pledging of all the assets of that organization, which included the assets of Manitoba Pool Elevators, to the Manitoba Government to meet the guarantee of the Government to the banks in connection with the over-payment of the Pool on the 1929 crop.

The agreement provided, among other things: (1) Writing down the indebtedness of the associations to $2,100,000: that is, a reduction of approximately $300,000. (2) An extension of the period of repayment to 20 years, terminating in all cases July 31, 1951. (3) Reduction of the rate of interest to 5 per cent. *per annum*. In return all the Elevator Associations were asked to become parties to an agreement by which they would: (1) Cancel the existing lease-purchase agreement and sign a new agreement of sale with Manitoba Pool Elevators, Limited. (2) Agree to government representation on the Board of Directors of Manitoba Pool Elevators, Limited. (3) Establish a reserve fund out of elevator operation to provide against contingencies. (4) Deliver all the elevator grain to Manitoba Pool Elevators, Limited, for 20 years.

On Sept. 11, 1931, the Prime Minister announced that the Government representatives on Manitoba Pool Elevators Board would be Hon. J. E. Brownlee, Prime Minister of Alberta, and Norman P. Lambert. Mr. Brownlee was appointed to act in a similar capacity on the Boards of Saskatchewan Pool Elevators and Alberta Pool Elevators by the respective Governments.

It was announced by the Prime Minister (Mr. Bracken) on Dec. 3, 1931, that Manitoba's liability in connection with the Wheat Pool guarantee to the bank totalled $3,374,940 but that the assets of the Pool, which had been taken over by the Manitoba Government, would reduce the loss to be borne by the Province to a figure not exceeding $1,250,000 and that this figure was based on the Auditor's Report which had just been completed. The agreement had been reached between the banks and the three Provincial Governments that the banks would take debentures from each Province to cover

their respective liability, the terms of the debentures being 20 years and the rate of interest 4½ per cent.

On June 27, 1932, counsel for the Gillespie Terminal Grain Company at Fort William, Ont., filed application at Fort William to have the Manitoba Wheat Pool declared bankrupt. This action was the aftermath of a judgment obtained some months before by the Grain Company in the Supreme Court of Manitoba against the Wheat Pool, following litigation arising out of the lease of a terminal elevator at Fort William. The Grain Company had leased the elevator to the Pool who cancelled the lease and refused to pay rent according to the terms of the agreement. Following the failure of the Pool to pay off the judgment, execution was issued some time later against the Pool's assets. The Sheriff returned a report that the Pool had nothing on which he could seize. It was expected that the bankruptcy application of June 27 would be heard some time in July, 1932.

United Farmers of Manitoba. The Annual Convention of the United Farmers of Manitoba was held in Brandon, Nov. 17-19, 1931. In his opening address W. J. Ward, President, urged co-operative action among farmers in the form of consolidation and unification of all commercial farmer organizations as a means of economy and in order to strengthen the farmer's position. Approximately 20 resolutions were adopted during the convention. Some of the more important points embodied in the future policy of the organization were as follows: that social ownership and co-operative non-profit production was the only sound economic system; that war debts be abolished and customs tariffs reduced; that provincialism of the Legislature be developed "to the effect that it be a superior municipal council without political affiliations"; that an imposition of a $5,000 penalty be laid on those charging more than the legal rate of interest on loans; that the U.F.M. register as a body its refusal to consider the bonus on wheat as a "compensating adjustment;" the abolition of all duties on farm implements and fencing wire; that full powers be given the Debt Adjustment Board to compel adjustments on a fair and equitable basis by: reduction of principal and interest where necessary, limitation of crop payments on mortgage agreements to one quarter of the annual production, allowance for retired principal and depreciated value of improvements in cases of foreclosure, and stay of proceedings under chattel mortgages covering property otherwise exempted, and that this particular resolution embodying the petition with regard to the Debt Adjustment Board be circulated throughout the Province under the auspices of the U.F.M.; that the Government be asked to enact legislation causing all mortgage agreements to be placed on a thirty-year amortization basis bearing interest at rates not in excess of 6 per cent. *per annum*. Other resolutions favoured nationalization of all resources and utilities and a fairer distribution of wealth; complete social control of currency and credit; marine insurance rates from the Port of Churchill at a level not in excess of the rates from Montreal; cancellation of all tax sales by the Provincial Government, reduction in telephone rates; restriction in liquor sales; increased censorship of moving pictures; reduction of interest rate on belated tax payments; a free or partially free dental clinic; a co-operative commonwealth; opposition to further duplication of grain elevators; reduction in freight rates for dairy products.

A resolution that the United Farmers of Manitoba re-enter politics was rejected at the Convention by a sweeping majority; only three delegates opposed an alternative suggestion for submitting the question to local organizations for consideration. Political leaders were present and spoke during the three days' Meeting. W. J. Ward, Dauphin, was re-elected President, and F. H. Downing, Kelloe, Vice-President.

The United Farm Women of Manitoba also held their Annual Convention at Brandon, Nov. 17-18, 1931, when Mrs. S. E. Gee-Curtis was elected President.

The Province of Manitoba

(As at June 30, 1932)

Lieutenant-Governor	Hon. James D. McGregor

The Bracken Ministry (Coalition)

Prime Minister and President of the Council	Hon. John Bracken, B.S.A., LL.D.
Attorney-General, Minister of Telephones and Telegraphs	Hon. W. J. Major, K.C.
Minister of Public Works and Labour	Hon. W. R. Clubb
Minister of Education	Hon. R. A. Hoey
Minister of Agriculture and Immigration	Hon. D. G. McKenzie
Municipal Commissioner, Provincial Secretary	Hon. D. L. McLeod
Provincial Treasurer	Hon. E. A. McPherson
Minister of Mines and Natural Resources and Industry	Hon. John S. McDiarmid
Railway Commissioner	Hon. D. L. McLeod
Minister without Portfolio	Hon. A. Prefontaine

Speaker of the Legislative Assembly	Hon. P. A. Talbot

Heads of the Administrative Services

Clerk of the Executive Council	Fred Axford
Deputy Provincial Treasurer	R. McN. Pearson
Asst. Deputy Provincial Treasurer	S. W. Christie
Deputy Attorney-General	John Allen, K.C.
Deputy Minister of Public Works	A. McGillivray
Deputy Municipal Commissioner	R. M. Fisher, K.C.
Deputy Minister of Agriculture	J. H. Evans
Deputy Minister of Mines and Natural Resources	Charles A. Attwood
Asst. Deputy Minister of Mines and Natural Resources	Thomas Walter Laidlaw
Deputy Provincial Secretary	R. M. Fisher, K.C.
Deputy Minister of Education	Dr. R. Fletcher
Asst. Deputy Minister of Education	Clifford Knox Rogers
Acting Minister of Health and Public Welfare	F. W. Jackson, M.D.
Commissioner of Mines	Justin S. DeLury
Provincial Librarian	W. J. Healy
Commissioner of Telephones	J. E. Lowry
Clerk of the Legislative Assembly	H. H. Dunwoody
Municipal and Public Utility Board	W. R. Cottingham, Chairman David L. Mellish George H. Balls

THE PROVINCE OF SASKATCHEWAN

Drought, Unemployment and Other Conditions in 1931-32

General conditions in the Province during the period, July 1, 1931, to June 30, 1932, are clearly reflected in the Speech from the Throne and the Budget Address; both indicate the problems of the Government during a third consecutive year of drought in the central southern areas of the Province together with those resulting from the general economic situation. The Prime Minister of Canada described the devastation of Saskatchewan's great wheat-growing section of land—recognized as one of the finest in the world—as a "national calamity," and the Dominion Government came generously to the aid of the Province in its efforts to bring the people of the 166 affected municipalities through a crisis which was so grievous as to bereft them of practically all their resources and to leave them dependent upon State assistance for their rehabilitation as communities. The Provincial Prime Minister, Hon. J. T. M. Anderson, had early announced Government plans for the setting up of a Relief Commission to supervise the expenditure of relief moneys in the Province and the co-operation of all classes was asked in the great emergency. It was estimated that about 100,000 residents of Saskatchewan would have to be fed by the Provincial and Federal Governments during the Winter and that live stock to the number of 150,000 would have to be taken from drought areas to places where feed was more plentiful. Speaking on July 23, 1931, at Yorkton, Dr. Anderson declared that, although Saskatchewan was facing a stupendous problem and one that was so far reaching in extent, the Government would tackle it without fear in an effort at solution; that no one would be allowed to starve; and that by a spirit of co-operation and determination the Province would fight its way back to more prosperous times. He stated that the Government were not afraid to add to their Capital Debt to meet the necessities of the people; that a programme of road camps, public works and direct relief costing many millions of dollars would be necessary but in this they were confident of the co-operation of the Dominion Government.

Following a Conference between Rt. Hon. R. B. Bennett, Prime Minister of Canada, and the Saskatchewan Government, general relief plans as finally arranged were made public on Aug. 29, 1931. The salient features of the Provincial Government's statement as to the Dominion-Provincial agreement were as follows: (1) that full Provincial responsibility for the administration of relief would rest with the Province; (2) that the minimum contribution from the Dominion Government would be 35 per cent. of the total cost of the urban programmes of public work; (3) that there would be immed-

iate commencement of public work programmes in cities and towns, following application by councils and the receipt of Federal approval.

The personnel of the Relief Commission—the organization had received the approval of the Dominion Prime Minister—was announced on the same day as follows: Henry Black, Chairman; A. E. Whitmore, W. A. Munns, W. G. Yule, and Mrs. Pearl Johnston. The division of the work of the Commission, in co-operation with which was to be an Advisory Committee of 12 members, was to include the establishment of departments for the administration of fodder and seed grain, fuel, clothing and highway relief. Other important points in the policy enunciated by the Commission, whose wide powers were later validated by legislation during the 1932 Session, provided for: (1) the appointment of a relief officer in each affected municipality; (2) limitation of the amount that would be paid out by the local relief officer without direct authority from the central office; (3) the patronage of local merchants, with special consideration to those who had extended credit to persons requiring relief; (4) the fixing of prices for relief supplies by the Commission; (5) the signing of agreements for the repayment of all moneys advanced by the Commission; (6) preference to be given in all cases to Saskatchewan and Canadian-made goods. By Apr. 23, 1932, $8,000,000 had been disbursed in relief by the Commission.

Co-operation of an emergent nature had been forthcoming from the Churches and other organizations throughout Canada, as well as from a Provincial group organized under the auspices of the Lieutenant-Governor to raise a fund for certain classes of needy in Saskatchewan. During the 1932 Session of the Legislature much legislation was enacted with a view to the amelioration of conditions in the Province, a Special Committee of the House having been early appointed to study a practical scheme for the readjustment of indebtedness and many of the recommendations presented to the Legislature were embodied in the Debt Adjustment Act. In May, 1932, a Committee was appointed, headed by Hon. W. C. Buckle, Minister of Agriculture, to take charge of the Saskatchewan end of the Dominion-Provincial-Municipal back-to-the-land movement.

Political Affairs. Government action in connection with other Provincial affairs was indicated from time to time in statements made by the Prime Minister. At Yorkton on July 23, 1931, Dr. Anderson asked that political partizanship be eschewed in the Province for twelve months until "this period of human suffering is over." In the following month at Wynyard he made a slashing attack on advocates of unconsitutional methods. Referring to school questions he reaffirmed the Government's intention to keep the schools open so long as the finances of the Province would permit. On the question of the Wheat Pool guarantee he offered no apology for the course adopted, stating that no opposition had come from the floor of the House when the Government's policy had been presented. Defence for the Government's method of dealing with the natural resources of the Province was vigorously expounded and, answering adverse criticism, the Prime Minister stated that it would take 200 years to develop the same if private capital were not encouraged along with Government enterprise. (*Regina Daily Star*, Aug. 6). Speaking at Saskatoon on the same day Dr. Anderson

dealt with twenty-one questions referred to the Government by the United Farmers of Canada, Saskatchewan Section, explaining that the answers to these had been given in the best interests of the Province.

On Oct. 31, the Prime Minister announced that Hon. Howard McConnell, K.C., Provincial Treasurer and Minister of Municipal Affairs, had been relieved of the Treasury post and had been succeeded by Hon. M. A. MacPherson, the change being due to the heavy responsibility placed upon Mr. McConnell as Minister of Municipal Affairs. A few days later Dr. Anderson issued a denial of further Cabinet changes and of rumours of a General Election, declaring that no election in the Province would take place before the end of the regular life of the Legislature.

At the Annual Convention of the Liberal-Conservative Association of Saskatchewan on June 2-4, 1932, at Moose Jaw, the Dominion Prime Minister, Rt. Hon. R. B. Bennett, was re-elected Honorary President, and the Provincial Prime Minister, Honorary Vice-President, the Provincial Co-operative Government receiving the unanimous endorsation of the members. The Report of the President of the Association, Dr. D. S. Johnstone, in so far as it attacked the Provincial Government was repudiated by the members at the closing session of the Convention. The Report had criticized the Public Service Commission in its existing form; it had alleged overlapping of effort in Departmental administration; and had declared that the multiplicity of Departments, admittedly inherited, was the cause of unnecessary expenditure. A thinly veiled attack on the Government for their dependence on Progressive and Independent support was also included in the Report. Dr. E. T. Myers of Rosetown was elected President of the Association, appreciation being expressed in a resolution, of the work of Dr. Johnstone and his Executive during the two years of office. Another resolution, involving the separate school question was passed on to the Executive for consideration.

The Leader of the Provincial Liberal Party, Mr. James G. Gardiner, throughout the year, was vigorous in his condemnation of the Co-operative Government, and in his demands for a General Election both at political meetings and in the Legislature; an outstanding appeal was made before a gathering at Craik on June 23, 1932, to all reform elements in the Province to unite "against the reactionary Governments at Regina and Ottawa." He stated that his Party stood for reform and that a coalition of advanced thinking people was the solution of the existing economic situation. "The name Liberal is good enough for me," he commented, "but if it has anything about it that antagonizes you, take a name that suits you as long as it stands for progress." In the Imperial field Mr. Gardiner declared himself to be for free trade within the Empire and more particularly with Great Britain and that the best medium of exchange would be the British pound note. The whole question of banking, he said, should be referred to a Commission for investigation before the next revision of the Bank Act was undertaken. A few days later he received the Liberal nomination by acclamation for Melville, a new constituency made up of part of North Qu'Appelle and Pleasant Hills by the Redistribution Act of 1932.

Of interest was the Court decision of Sept. 28, 1931, in connection with the Estevan By-Election of Dec. 23, 1930; judgment was reserved in the application for Norman McLeod, Liberal Member for that constituency, to have the petition of Joseph Ford Lamb set aside on the ground that on the face of it there was insufficient evidence to justify the termination of the hearing. Lamb's petition had been initiated in the effort to have McLeod unseated on the grounds that people who voted at the By-Election in Estevan were not qualified to do so.

A political organization to be known as the Independent Labour Party of Saskatchewan was created in Regina on Oct. 24, 1931, with M. J. Coldwell as President; the Dominion organization was to be launched at a Convention to be held in July, 1932. The platform adopted included the following

declarations: nationalization of the banking, credit and financial system of the country together with public ownership, development, operation and control of all utilities and natural resources; the provision of work or the assurance of adequate maintenance by the Federal Government; abolition of property qualifications and election deposits for candidates for all public offices and the election of all governing bodies by popular vote. It was announced that every effort would be made to co-operate with the United Farmer's political association and that membership would be open to all those who, regardless of industrial affiliations, subscribed to the platform.

The Fourth Session of the Seventh Legislature

The Fourth Session of the Seventh Legislature of the Province of Saskatchewan was opened on Feb. 4, 1932, by the Lieutenant-Governor, His Honour Hugh Edwin Munroe, O.B.E., M.D., F.A.C.S. The Speech from the Throne, after referring to the general world-wide economic situation, surveyed Saskatchewan's own immediate crisis in the agricultural industry: three successive crop failures from drought in a large portion of the Province and the consequent curtailment of business and industry which resulted in wide-spread unemployment and distress, thus necessitating a diversion from the usual projects by the Department of Agriculture to remedial efforts designed to protect the farmers affected by conditions. The purchase of fodder, the location of pasturage for live stock and the removal of settlers from drought-affected areas to localities where fodder was plentiful engaged the attention of the staff during the greater part of the year. A Commission had been appointed by the Government to make a thorough investigation of the causes of drought conditions in Saskatchewan. Other assistance to farmers included a tree-planting campaign, organized by the Institutional Farms of the Province together with the Forestry Branch of the Federal Department of Agriculture, with a view to raising seedlings for free distribution. The postponement until 1933 of the World's Grain Exhibition and Conference which were to have been held in Regina in 1932, was mentioned in the Speech; a splendid building in which to hold the event and which had been financed through the joint efforts of the City of Regina and the Federal and Provincial Governments, had been erected as a relief measure.

Dealing with certain aspects of Provincial development, which involved the employment of considerable labour, mention was made in the Speech of the progress in the highway programme authorized by the Legislature during the previous Session and which, from June 1, 1931, had been carried on entirely as a farm relief measure. In addition, many municipalities were provided with the financial assistance necessary to enable them to give relief to farmers through road work and this resulted in the building of many miles of municipal roads and at the same time materially assisted many who were in need of relief owing to crop failures. The Department of Railways, Labour and Industries provided additional assistance during the year 1931 in the administration of urban and farm labour relief. From September, 1930, to September, 1931, a total expenditure for relief public works of $2,700,000 was administered through this

Department and gave employment to 33,402 persons. During the same period direct relief to the extent of over $1,200,000 was provided for 29,785 persons. Beginning with September, 1931, a new system of direct relief administration was adopted and was being carried out, "particulars of which will be placed before you during the Session. An extensive scheme connected with farm labour relief has been adopted whereby nearly six thousand farm labourers have been retained on the farms, who otherwise would have undoubtedly drifted into the urban centres seeking relief." Other matters covered in the Speech from the Throne included the following:

The completion of the Saskatchewan section of the Trans-Canada Telephone system, a distance of 453 miles; the opening of the Saskatchewan School for the Deaf on Sept. 28, 1931, with an enrolment of 120 pupils; the operation as usual of all schools in the Province during the trying period under review and the regrettable necessity of the Government's being obliged, owing to conditions, to curtail, in the future, certain educational services; the successful operation of the newly organized Department of Natural Resources; the disposal, during the year, of over $600,000 worth of land; the increase in the output of Saskatchewan coal; the provision of work for single men by the improvement of Provincial Parks; the opening of two consultative diagnostic clinics, at Regina on Dec. 21, 1931, and at Saskatoon on Jan. 4, 1932; and to the significant feature that during the five-year period previous to 1931 the number of admissions to the mental hospitals of the Province had shown a marked yearly increase—but in 1931 a substantial decrease was recorded.

That additional measures of economy would be necessarily introduced during 1931-32 and that legislation for the purpose of providing additional revenue would be placed before the Legislature, was also dealt with in the Speech. Other proposed enactments concerned the mining industry, a new Debt Adjustment Act, and Acts pertaining to vehicles, and the arrears of taxes.

The Debate on the Address did not commence until Feb. 8, when R. J. Greaves (Prog., Melfort) moved that an Address in Reply to the Speech be presented. J. V. Patterson (Ind., Milestone) seconded the Motion, following which the Leader of the Liberal Opposition, James G. Gardiner, opened his attack on the Government. Both the Mover and the Seconder appealed for co-operation from the Opposition side of the House and for constructive rather than destructive criticism. Mr. Gardiner declared that the request for co-operation was a belated one; that his repeated offers in this connection had not been accepted by the Government. He charged that the Relief Commission was built up of political workers throughout the Province and criticized the methods adopted by the Government in the operation of relief camps in northern Saskatchewan. He claimed that the Government's park policy was extravagant and expressed the opinion that the people could not carry an additional load of taxation. He compared the existing condition of Provincial finances with that during the period under the Liberal *régime,* stating that the Government had made no effort to curb expenditures when facing largely depleted revenue returns. Mr. Gardiner concluded his address with a suggestion that a Committee of the House be formed composed of Conservative, Liberal, Independent and Progressive Members whose duty it would be to give study to such questions as tax sales, adjust-

ment of debts and other matters which were of concern to the Province at the moment.

The short Debate was concluded on Feb. 10 by the Prime Minister, Hon. J. T. M. Anderson, D.PÆD., when he spoke for two hours in defence of the policy of his Co-operative Government. He summarized the general economic troubles of the Province: drought conditions, low prices for farmers' products, and falling revenues, asking if all these were due to the Government. He suggested that partizanship be set aside in order that the Legislators might give undisturbed consideration to the problems facing the country. He declared that he resented the charge that the Relief Commission had been organized on a political basis; and he denied that the financial statement showed the Province to be in a bankrupt position. He challenged the Leader of the Opposition to show wherein the Public Debt had increased by leaps and bounds. In connection with unemployment Dr. Anderson stated that there were 1,500 single men in the Province doing work in the Provincial Parks; and some 6,000 were on farms instead of being allowed to congregate in the urban cities. Part of the Prime Minister's address was devoted to educational matters when he forecast that it would be likely that, in the necessity of economy and in anticipation of a drop in attendance, one or two of the Normal schools of the Province would be closed. He declared that the Government was of the opinion that it was essential that school grants be reduced and that Departmental Grade VIII. examinations be abandoned—at a resultant saving of some $35,000. He mentioned that 151 schools had been closed during the year, outlining reasons for the action. Reference was also made to the formation of a Committee representative of all Parties in the House, to consider major Provincial problems. In his closing remarks he asked that both sides of the House concur in the concluding of the Debate without loss of time. This being agreed to the Motion was adopted.

The Budget of 1932. Hon. M. A. MacPherson, Provincial Treasurer, introduced his Budget Speech on Feb. 18, 1932, by briefly summarizing World, Empire and general Canadian conditions before enlarging on the situation in Saskatchewan during the previous year. He stated that for the third consecutive year drought and high winds had left an area of over 5,000,000 cultivated acres of land unproductive; land which was noted for its fertility, for its productivity and for its constancy in yield of agricultural wealth. The area which experienced these crop failures "includes ninety-three municipalities." The average production of wheat for this area for the seven-year period, 1922-1928, had been in excess of 93,000,000 bushels; in 1931, the production was 8,204,000 bushels. In the same seven-year period, oats had exceeded an average annual yield of 51,000,000 bushels; in 1931, the production was only 4,026,000 bushels. "In the same period, the barley produced averaged annually over 7,000,000 bushels; in 1931, it was only 1,229,000 bushels. In agricultural production, poultry and live stock only showed an increase, and in dairying the quantity of butterfat had increased under trying conditions of drought from 5,140,000 pounds to 8,260,000 pounds."

Combined with this serious condition in which one-third of Saskatchewan was placed during the previous year owing to crop failure, was the unfortunate return in the way of low prices received from commodities produced in that part of the Province where crops were reasonably good.

Referring to the effect of the United States exchange on Provincial finances, Mr. MacPherson stated that in the month of November, 1931, the added burden by way of cost on interest payments was $55,000, and in December, $60,500. On Dec. 1st, to discharge a maturity of $500,000 it required a payment in Canadian dollars of $570,000, and attention was drawn to the fact that if conditions remained as they were, on Feb. 16 the additional cost to the Treasury would be over $700,000.

The Provincial Treasurer stated that the final loss of the Saskatchewan Wheat Pool amounted to $13,305,000; that the lending banks as settlement had accepted 98 bearing 4½ per cent. interest Saskatchewan bonds to the extent of $13,577,000; that the Province held as security in respect of these bonds the assets of the Pool and the Pool Elevators; that the Pool was operating in its usual way to a very limited extent; and that the Pool Elevators were actually handling 42 per cent. of the grain marketed in the Province. On the basis of the statement given in the House the previous year and taking into consideration payments that had been made by the Pool on the Co-operative Elevator Agreement in the interim, the value of the security held by the Province in respect of Pool indebtedness was $18,455,190, on an elevator system that was complete in every way. Up to the end of the crop year 1930-31 the earnings of the Elevators, after operating costs and income tax had been paid, amounted to $18,431,583; from this sum depreciation reserve amounting to $4,923,255 had been deducted and also dividend payments. The paid-up capital of the Company amounted to $12,195,200.

The Public Debt as of Dec. 31, 1931, including all Funded Debt, Treasury Bills and Revenue Deficits, was $122,980,000, while the net Public Debt was $68,231,807. With respect to that part of the Debt which was revenue-producing there was invested in Telephones, $13,300,000; under the old Co-operative Elevators, $2,138,000; owing by the Saskatchewan Co-operative Creameries, $649,000; through agricultural aids, $569,000; on farm loans, $15,105,000; Saskatchewan Power Commission, $6,157,000; and Wheat Pool Guarantees, $13,577,000.

For the fiscal year ended Apr. 30, 1931, there was a Deficit of $3,856,677. The actual Expenditure amounted to $18,202,676; the actual collections of Revenue to $14,346,000. Comparing these figures with the budgetted figures the deficiency of Revenue was $2,918,925. The excess of Expenditures over Revenue was $962,124. Taking the estimated Surplus in the 1930-31 Budget, $24,393, from the total of these amounts, and the Deficit for the year ended Apr. 30, 1931, would appear as $3,856,677. There were deficiencies of Revenue, owing to conditions, from a number of sources: in the Farm Loan Board, $421,000; in the Public Revenue Tax, $421,000; in Motor Licences, $137,000; there was expenditure over the estimate in Technical Schools of $144,000; in Old Age Pensions, $377,500; in Unemployed relief, $101,255. The Balance Sheet of the Provincial Auditor in the Public Accounts, however, after having made provision for Accounts Receivable and Accounts Payable, showed a Deficit of only $2,401,000.

The Estimates for 1932-33 showed a total Expenditure on Current Account of $18,323,000 as against $19,369,000 given in the Estimates for 1931-32, a reduction of $1,046,000. This amount did not reflect the total of the economies effected, inasmuch as certain Expenditures, being statutory charges, such as Public Debt and Old Age Pensions, had increased. With the total of the statutory appropriations deducted from the total of Expenditures, the latter were reduced to the amount of $9,657,000, as compared with similar Expenditures for 1931-32 totalling $12,799,000, indicating an economy of $3,142,000 in supply appropriations, or very nearly 25 per cent. less than the previous year.

Economies had been effected in the Public Service by reduction in staff temporary layoffs, and also by relief contributions from salaries; a saving of over $800,000 would thus be obtained. Salaries in the Estimates were shown in the gross amounts as the contributions to the Superannuation Fund would not be affected.

In the proposals of new revenue the Public Revenue Tax was increased by a half-mill, restoring it to what it was in 1927; the Motor Licence fees were increased $5 except in the case of farm trucks, restoring it to what it was in 1929; the Gas Tax was increased by one cent; an Income Tax was introduced providing for a tax of all incomes earned in the Province commencing, in the case of single persons without dependants, at $750, and in the case of married persons, at $1,500; the amendments to The Corporations Taxation Act provided for payment on a graduated scale for banks in the Province to a maximum of $3,000, with a minimum of $200 for all branches other than city or town; for a percentage on interest collected on mortgages and agreements held by the corporations in the Province; and for an increase in respect of the levy on the premium income of insurance companies.

Mr. MacPherson announced his intention of introducing legislation to enable the Province to capitalize the accumulated Cash Deficit as of Apr. 30, 1931, and proposed that 5 per cent. of the Gasoline Tax receipts be set aside to provide a Sinking Fund to take care of this particular increase. He then called the attention of the House to the ever-increasing cost to the Province of Social Services which had risen from $708,000 in 1919-20 to $2,942,000 in 1930-31, when, at the same time, there was taking place a rapid decrease in agricultural wealth, from $382,000,000 in 1919-20 to $109,000,000 in 1930-31. He concluded by urging that these Services be not enlarged to such an extent as to overwhelm the Province or to deprive the people themselves of all independence, initiative and filial responsibility.

Concluding his Budget Address the Provincial Treasurer moved that the House resolve itself into a Committee of Supply. A lengthy Debate followed. It was opened by W. J. Patterson (Lib., Pipestone) who declared that a study of conditions should have warned the Government against the extravagances of which they had been guilty; that they had started with a balanced Budget and two years later were showing a Deficit of $5,000,000, a Public Debt of $125,000,000 and restricted Government services. He attacked the policy of the Government in their proposal to reduce expenditures by striking at education, aids to agriculture, public health, mothers' allowances, and old age pensions; and their policy of receiving additional revenue by taxing the wage-earner and by similar impositions in other directions. He pointed out the debts owing by the Provincial Government to the Dominion, to the banks and to scores of private individuals; and he claimed that the Government must shoulder the responsibility for the support of a Federal policy which had been fatal to Western interests.

H. A. Lilly (Con., Thunder Creek), claimed (Feb. 21), in discussing the Public Debt, that $41,000,000 of the total amount had either been devoted to revenue-bearing expenditure, necessary public works or uncontrollable expenditures, and that $16,000,000 could easily be explained as the result of relief and extraordinary expenses and an abnormal year. Referring to the increase in the fee for motor licences he stated that he could not see eye to eye with the Government as he believed that the licence had been increased to a level that would keep many cars idle, and he favoured the elimination of the Public Service Commission and higher paid officials. S. Whittaker (Con., Moose Jaw) on Feb. 26 stated that he did not intend to vote for the Motion but that he would support the main items of expenditure with the exception of those in connection with salaries for certain Government employees. He declared that a downward revision of debt was necessary to the return of prosperity and that taxation would have to be reduced. In the course of a speech delivered on Mar. 4, R. H. Smith (Con., Moose Jaw) announced his intention to support the Motion to go into Supply stating at the same time that he repudiated the purchase by the Government of certain shares from J. A. Calder in connection with the Saskatchewan Co-operative Creameries Limited.

The Opposition Leader, J. G. Gardiner. speaking to the Motion on Mar. 8 claimed that the Government had increased the expenditure to $18,202,000 during the year and had collected only $14,346,000 in revenues, which resulted

in a deficit of $3,856,000. In 1931 with this experience before them they estimated an expenditure of $19,400,000 when they knew that their revenues were only $14,346,000 in the previous year. This would result in a deficit of $6,000,000 in 1932. He stated that the Financial Statement showed that $7,800,000 had been added to the Public Debt for highways in 1930-31 and that $6,450,000 had been added for what was called relief highways in 1931-32, making a total of $14,250,000. Of this expenditure only $10,750,000 had been authorized by the House, the balance had been advanced by the Dominion Government and was charged to Provincial Capital Account. He attacked the Government's estimated expenditures upon highways, bridges, etc., to the exclusion of services "which have proven essential to the welfare of our population and a means of keeping down local taxation." Concluding his address Mr. Gardiner moved an Amendment, seconded by E. S. Clinch (Lib., Sherbrooke) which declared "that costs of Government should be so reduced through the elimination of inexpedient expenditures, and revenues so improved through more economical administration of revenue producing activities, as to render the proposed taxes and discontinuance of services unnecessary at this time when such services are most needed and such taxes most difficult to pay and desires to record the further opinion that when the continuance of essential services requires more revenue all avenues of taxation upon luxuries should be exploited before levies are made upon small incomes, productive business and land." The Amendment was lost by 27 to 33 following which the main Motion was adopted by 32 to 28. S. Whittaker (Con., Moose Jaw) voted against the Amendment and also voted against the main Motion.

The Provincial Treasurer, Hon. M. A. MacPherson, answering Mr. Gardiner, had described the Amendment as a want-of-confidence vote. He attacked each point of the Opposition Leader's address. He stated that it would be an absolute impossibility if the Province were to continue to function, to reduce the proposed expenditures to $15,000,000—in other words, reduce the Estimates by $6,124,000, as Mr. Gardiner claimed could be done. He asked why the Opposition Leader had not told the House of the additional sum of $3,107,000 given from the Dominion subsidy in the Dominion School Lands Funds, when he intimated that the Government proposed to obtain from the taxpayer of Saskatchewan the entire sum of $18,300,000 taking it out of the agricultural wealth of the Province; why the Opposition Leader had not told the House of revenues from Sinking Fund and other revenues which did not come in by way of taxation cost. He quoted figures to show that there had been in 1930-31 an increase in certain social service grants to the extent of $970,000 over the previous year, stating that the Opposition Leader must also bear the responsibility for the increased cost of Government as well as take credit for social legislation. He demanded to know if Provincial relief road work was not a Provincial service, when answering the statement of Mr. Gardiner with regard to the $6,000,000 advanced by the Dominion Government for Provincial services.

Jacob Benson (Prog., Last Mountain), who demonstrated that he was not entirely in accord with the Government's policy, was the last speaker before the main Motion was adopted.

Legislation and Incidents of the 1932 Session. The Fourth Session of the Seventh Legislative Assembly of Saskatchewan, was brought to a close on Apr. 13, 1932, the last few days being occupied with Debates on the Debt Adjustment and the Redistribution Bills. 79 Public Bills had been introduced; an Amendment to the Marriage Act and a Bill conferring powers on osteopaths similar to that enjoyed by the medical and legal professions were later dropped. Of importance were the two Select Special Committees appointed to inquire into, respectively, the cost and sale of gasoline and petroleum products in Saskatchewan and all matters concerning the readjustment of debts. A number of Resolutions introduced during the Session were adopted unanimously by the Members. One Resolution was the occasion of an unusual situation on the last day of the Session. It gave an opportunity

—the first of the Session—for Opposition Members to shout across the floor of the House: "Resign, resign," but no one took the call seriously. Just before Prorogation Opposition Members had demanded that a recorded vote be taken on a Resolution originally moved on Mar. 22 by H. A. Lilly (Con., Thunder Creek) and seconded by S. W. Arthur (Con., Cannington) as follows: "That, owing to the decline in Revenues due to failure of crops and lessened returns from primary products, this Assembly strongly urges upon the Government a policy of further reduction in costs of Government Services, retaining only the minimum of employees and requesting the Civil Servants to make a larger contribution from salaries, having particular regard to the more highly paid employees of the Province." In the course of a Debate T. C. Davis (Lib., Prince Albert) had moved an Amendment to the effect that all the words after "services" be struck out, which was seconded by E. S. Clinch (Lib., Shellbrook). Just a few minutes before Prorogation Mr. Lilly wished to withdraw his Motion but the Liberals demanded a recorded vote, without further discussion, on the Amendment which obtained for the Government a majority vote of 5, Mr. Benson (Prog., Last Mountain) voting against them for the eleventh time during the Session. To the amazement of the galleries five members of the Government, Hon. W. W. Smith, Hon. A. C. Stewart, Hon. J. F. Bryant, Hon. Howard McConnell and Hon. Reginald Stipe, voted for the Motion which was adopted, 39 to 12.

Enactments of the Session having to do with financing for Government purposes included: The Appropriation Act providing for the payment out of the Consolidated Fund the sum of $19,644,990 and $10,560,073 and out of the Telephone Revenue the sum of $2,600,000, for the Public Service; The Loan Act authorizing the raising of money upon the credit of the Consolidated Fund.

Taxation measures were the following: (1) The Corporations Taxation Act Amendment, which, among other items, provided that Banks should pay a tax of $3,000 for the Head Office in the Province (if there were ten or more branches, $1,500, if there were fewer than ten), $400 for the main branch office in a town, and $250 for every other city branch; $250 for each branch office in a town, and $200 for every other branch office. Other institutions receiving money on deposit would be called upon to pay $300 in addition to other taxes under this Act. Finance Corporations would have to pay 10 per cent. upon their gross revenue received from interest upon loans. Taxes payable by insurance companies were increased by 10 per cent. Oil companies were assessed a tax of $25 or $50 on every storage tank, according to capacity. Companies would be called upon to pay 5 per cent. of interest collected on mortgages or under agreements of sale during the fiscal year beginning May 1, 1932. (2) The Income Tax, 1932, authorized the levying of a tax on incomes of $750 and over for a single man or woman; exemptions including $1,500 for a married person or householder or any other person who had a resident dependent of certain classes; $300 exemption also for each child under 21 years of age who was dependent upon the taxpayer; a similar sum to be allowed, where the person did not come under the provision of the $1,500 exemption for the support of a parent, etc.; provision was made in the Act for the taxing of separate incomes of a husband and wife. The Tax was payable May 31, 1932, one month later than the increased Federal Income Tax. (3) The Gasoline Tax Act included an increased tax on gasoline from five cents a gallon to six cents; made necessary the obtaining of a licence by jobbers, wholesalers and retailers; insisted upon the registration of persons bringing in gasoline purchased from outside the Province. (4) An Amendment to the Public Revenue Tax increased the tax from 1½ to 2 mills. (5) An Amendment to the Succession Duty Act provided that in all cases where the aggregate value of the property passing upon the death of any person exceeded $20,000 there should be added to the amount of the duty, payable under Sections 10 to 21 inclusive of The Succession Duty Act, and levied and paid, a sum equal to ten per cent. of that amount. (6) The Timber Taxation Amendment.

The Report of the Special Committee of the Legislature which was appointed "for the purpose of consulting with creditor and debtor classes of the Province with the object of evolving some scheme for the re-arrangement or re-adjustment of indebtedness" and the discussions which its presentation to the Legislature precipitated was a highlight of the Session. The measure, as finally approved before Prorogation, embodied many of the findings of the Committee but one important drastic clause which provided that no action for debt of more than $100 and no foreclosure proceedings and no seizure could be instituted without the consent of the Debt Adjustment Commissioner, was not accepted by the Members. Some of the main items of the Bill, "An Act to Amend and Consolidate the Debt Adjustment Act" provided that the Judgment Summons Act be suspended to Apr. 1, 1934; that the Debt Adjustment Commissioner be made a trustee in bankruptcy; that retail merchants and city merchants be brought within the scope of the Act but not to the extent to conflict with the Bankruptcy Act; that security of a vendor on future sales be restricted to the article sold in respect to liens—this section covering such goods as were generally sold on the instalment plan; that no crop lease taken in respect of a mortgage for 1932 should be valid for more than one-third of the crop, except where the mortgagee provided seed, a share of the binder twine and threshing expenses; that the mortgagor would be allowed to deduct from the one-third share one year's taxes; that 20 days' notice must be given to the Commissioner before foreclosure action could be executed and seizure under liens, the Commissioner being empowered under the Act to issue a certificate to the applicant which might act as a moratorium in the case of that particular individual; that seizure could only be made by a sheriff or at his direction; that the Government had the right to declare an individual moratorium where individual cases of hardship through pressure of creditors were reported; and that the Government was empowered to create a Debt Adjustment Board.

Legislation passed for the relief of unemployment or in behalf of the agricultural situation included the following Bills: (1) The Relief Act, 1932, which ratified the Provincial agreement entered into with the Dominion; authorized the Province to raise moneys for relief purposes and to spend same on relief; gave power to the Government to acquire certain municipal debenture; ratified agreements with municipalities made by the Government and gave power to municipalities to perform agreements with the Province and ratified issue and sale of Treasury Bills. (2) The Relief Commission Act ratified the appointment in August, 1931, by the Government of three Commissioners for the relief of distress in the Province, with authorization *inter alia*, to use for the purpose of relieving distress and providing employment all moneys advanced to them or the Government of Saskatchewan from funds furnished to the Government for such purpose by the Dominion Government and also all power conferred upon them at said appointment. (3) The Municipalities Relief Act, 1932, amended the Act of 1931 in certain particulars.

The Redistribution Bill (The Legislative Assembly Act) reduced the Membership of the Legislature from 63 to 55 and changed the boundaries of certain constituencies. The Bill was sponsored by Hon. A. C. Stewart and its passage through the various stages until it was finally approved was the occasion of prolonged and stormy Debates during which bitter personalities, to be later retracted, were hurled across the floor of the House. On one side the situation was termed "a blockade" and on the other "the worst gerrymander known in the history of Canada." The Liberal Opposition Leader (Mr. Gardiner) had introduced a Motion asking that the whole matter of redistribution be referred to a Committee of the Assembly, proportionately represented by all groups in the House before consideration should be given to the measure; both the Motion and an Amendment somewhat similar to the Motion but asking for a Special Committee, were defeated on the same recorded division of 33 to 29. Charges were advanced by the Leader of the Opposition that the Government were discriminating against the foreign-born

in the Province. He contended that population should be the deciding factor for representation in any redistribution Bill and Mr. Stewart, the sponsor of the Bill, claimed that the number of votes cast should be the main criterion, with other considerations, such as natural boundaries. The Act was to come into force upon the date of the writs of the next General Election.

The Mines Act was amended by an Act, in force Nov. 1, 1932, by which the Act was to be known as the Coal Mines Safety and Welfare Act. Other important changes made were those limiting employment of a miner below ground to eight hours in twenty-four unless by mutual agreement between employer and worker or in cases of emergency; and providing that the wages of every person employed in or about a mine be paid twice in each month. This Act was the result of a comprehensive survey of the coal mining situation in the Province which had been completed and reported upon by Judge E. R. Wylie of Estevan, following labour trouble at the Estevan mines.

The Liquor Act was amended to enable the Board to sell wine in beer stores, all of which had been previously restricted to the sale of beer only.

Two Acts in connection with the Wheat Pool were: (1) An Act validating the Settlement of its liabilities by the Province of Saskatchewan under its Guarantees of the Repayment of Advances made by certain Banks to The Canadian Co-operative Wheat Producers, Limited, and validating the Securities issued by the Province in connection therewith; and (2) an Act to authorize an Advance by way of Loan to The Saskatchewan Co-operative Wheat Producers, Limited.

By the Operation of Motor Vehicles for Gain Act a public utility board of three members was to be appointed by the Government for the purpose of controlling both freight and passenger vehicles operating commercially outside urban centres. The new Act set forth its jurisdiction and powers.

The Temporary Changes in the Statute Law Act put again into force the old clauses of the Rural Municipality Act whereby a Municipality could borrow 60 per cent. of its total taxes for municipal purposes; 75 per cent. for school purposes; and 80 per cent. for rural telephones as separate borrowings Amendments to the Village, Town and City Acts deprived cities, towns and villages of the right to levy an income tax with the coming into force of the new Provincial tax. An Amendment to the Rural Municipality Act stated that a tax collector must be appointed by every rural municipality.

Other Acts passed during the 1932 Session were: An Act conferring certain powers upon the Lieutenant-Governor-in-Council with respect to Insurance; The Amendments to the Agricultural and Horticultural Societies Acts cutting down the grants to these societies to 25 per cent. of the previous year's grants; Amendment to the Dairy Products Act; an Amendment to the Land Titles Act; the Limitation of Actions Act; Amendment to the Municipal Hail Insurance Act; an Act to Amend the Parents Maintenance Act; the Saskatchewan Farms Loans Act authorizing the Government to raise money by way of loan to the extent of $20,000,000; Amendments to the Vital Statistics Act, the Vehicles Act, Teachers' Superannuation Act; and the School Assessment Act.

A Resolution receiving, on Mar. 22, the unanimous approval of the Members, called for provision of full facilities by the Dominion Government at the new Port of Churchill for shipping and handling of grain and other products of the Prairies.

Another Resolution endorsed unanimously on the last day of the Session was one moved by George Spence (Lib., Maple Creek) and seconded by H. A. Lilly (Con., Thunder Creek) which was in effect that the Saskatchewan Government should immediately summons a conference of all agricultural and other allied interests in the Province, and extend the invitation to Manitoba and Alberta, for the purpose of discussing and, if possible, formulating proposals which would further the interests of Saskatchewan producers in their natural markets throughout the world; and that the findings of the conference should be presented to the Imperial Conference meeting at Ottawa in July, 1932, for consideration.

Members unanimously conferred in the Resolution, introduced by E. S. Whatley (Prog., Kindersley) and seconded by Charles McIntosh (Lib., Kinistino), expressing the opinion that before the next revision to the Bank Act the Federal Government should appoint a Royal Commission to inquire into banking, finance and credit in Canada, with a view to promoting the development of trade and commerce and the employment of labour; that such a Commission should especially consider the advisability of amending the Finance Act for the purpose of giving authority to the Minister of Finance to make advances to the Provinces of Canada on the pledge of securities in similar manner to the existing power to make advances to the banks; and that the Government of Saskatchewan should be requested to consider the appointment of a Committee representative of labour, business, industrial and economic interests to investigate the whole question of Canadian finance.

Other Resolutions adopted during the Session called for: the continuance of the bonus of 5 cents per bushel on wheat; the recording of the sincere appreciation by the Legislative Assembly of the gifts of food and clothing forwarded to drought-stricken areas of Saskatchewan from other parts of the Province and from the rest of Canada; the adoption by the Dominion Government of a permanent policy which would provide for the payment of taxes on land under the jurisdiction of the Soldier Settlement Board; and for the extension to June 15, 1932, of free freight arrangements covering grain and fodder shipped into the relief areas of the Province.

The Select Special Committee appointed to inquire into the sale and cost of gasoline and petroleum products in Saskatchewan presented its first and final Report to the Legislature on Apr. 12. Some of the recommendations contained in the Report were: (1) that all companies selling gasoline should use charts; (2) that the Dominion Department of Trade and Commerce should periodically inspect samples of the various petroleum products sold; (3) that further careful tests should be made as to evaporation, with the co-operation of oil companies, dealers and the Government, and that the National Research Council should be asked to study this matter as well as that of the practicability of the use of metres in the distribution of gas and kerosene; (4) that the Provincial Government should take up the matter of freight charges on petroleum products with the Board of Railway Commissioners; (5) that the Federal Committee on Banking and Commerce be asked to investigate fully the question of the manufacturing costs and selling prices of lubricating oils with a view to standardizing the products; (6) that consideration be given to the practicability of placing the control and supervision of the petroleum products business under the Canada Grain Commission, enlarging the authority of that Commission as might be found necessary; (7) that, with regard to the price of the refined product, the Committee being of the opinion that the prices fixed by the Imperial Oil Company for the whole of Saskatchewan without any visible competition whatever and the evidence of independent concerns to the effect that they dare not raise or cut prices for fear of going out of business, should be further investigated; and that owing to the importation of refined gasoline having practically ceased "the zones into which the Province was divided would have to be arranged accordingly" if the Committee's recommendations regarding the basis upon which Saskatchewan prices should be established were carried out—the Committee was of the opinion that prices of petroleum products in Saskatchewan should be based on the actual cost of those products by their place of manufacture in Canada; (8) the final recommendation was that the whole matter should be placed in the hands of the Federal Committee on Banking and Commerce for further investigation.

The Report of the Public Service Commission for the eleven-month period June 1, 1930, to Apr. 30, 1931, which was presented during the Session, reviewed the work of the Commission with respect to classification and grading; measures of recruitment; preparation of rules and regulations; investigations and disciplinary proceedings and recommended a system of service rating, a series of conferences with departmental officers, and the encouragement of

constructive suggestions from employees as being conducive toward efficiency; arrangements for after-training and permanency in all Public Service positions. The strength of all Departments under the Commission's jurisdiction numbered, on Apr. 30, 1931, 3,516, consisting of 2,479 permanent and 1,037 temporary employees.

The main points contained in the Report of the Royal Commissioner, His Honour E. R. Wylie, appointed to investigate into mining conditions in the Province, which was presented while the Legislature was in Session, were as follows: (1) that Saskatchewan lignite was placed at a disadvantage by sub-vention; (2) that closer co-operation was urged between mine owners and their employees; (3) that a near price-war was seen in the present operation of the field in the southern part of the Province; (4) that official information as to heat values of products of various mines was needed for public information; (5) that better supervision and better health regulations were needed, and experienced miners should be paid according to their ability; and (6) that the creation of separate health districts for all mining camps should be located outside of incorporated town or village.

Agriculture; and Other Provincial Reports

Weather conditions prevailing in the Province during the Summer of 1931 had unfortunate consequences for the crops. Limited snowfall and rain in southern and central Saskatchewan with the addition of high winds resulted in severe drought and soil blowing. June, when the condition of wheat declined in every crop district, was especially disastrous. August rains improved the feed situation and pastures. Harvesting commenced early in that month, but rain in September and October impeded threshing operations. Crops ranged from total failures in southern and central Saskatchewan, and from fair to good in the north. A large area in the south had experienced crop failures in three consecutive years, and the whole yield of the Province was the lowest in many years. A large percentage of wheat, however, went in the first three grades. Live stock were in fair condition. At Oct. 31, 1931, 28 per cent. of fall ploughing had been done. The accompanying table, prepared by the Dominion Bureau of Statistics, Agricultural Branch, gives the final estimate of the yield and value of the principal field crops in 1931, and for purposes of comparison, in 1929 and 1930 also:

	1929		1930		1931	
	Total Yield bush.	Total Value $	Total Yield bush.	Total Value $	Total Yield bush.	Total Value $
Wheat	160,565,000	165,382,000	206,700,000	97,149,000	121,000,000	45,980,000
Oats	68,944,000	34,472,000	125,509,000	18,826,000	67,700,000	12,186,000
Barley	30,755,000	15,685,000	40,522,000	4,863,000	14,340,000	3,011,000
Fall Rye	6,331,000	5,191,000	11,861,000	2,016,000	1,785,000	411,000
Spring Rye	1,970,000	1,615,000	3,014,000	512,000	611,000	141,000
All Rye	8,301,000	6,806,000	14,875,000	2,528,000	2,396,000	552,000
Peas	15,000	34,000	26,000	29,000	8,000	8,000
Beans	7,000	21,000	12,000	24,000	4,500	5,400
Mixed Grains	344,000	186,000	478,000	96,000	242,000	46,000
Flaxseed	1,462,000	3,465,000	3,900,000	3,471,000	1,820,000	1,401,000
	cwt.		cwt.		cwt.	
Potatoes	1,149,000	3,010,000	2,872,000	2,326,000	2,420,000	1,234,000
Turnips, etc.	73,000	110,000	232,000	174,000	133,000	73,000
	tons		tons		tons	
Hay and Clover	502,000	5,763,000	696,000	5,742,000	201,000	1,427,000
Alfalfa	15,000	202,000	22,000	264,000	13,000	117,000
Fodder Corn	11,000	112,000	29,000	203,000	13,000	61,000

There was a decrease in the number of live stock, except milch cows, sheep and swine, in Saskatchewan at the end of 1930, according to the Annual Report for the year ended Apr. 30, 1931, of the Live Stock Commissioner. The total number of live stock in the Province was 4,603,581 with a value of $133,690,000. Live stock prices were lower than those for the previous year. The details for 1930 were as follows: 1,007,109 horses and mules valued at $50,355,000; 477,000 milch cows, $20,272,000; 711,480 other cattle, $17,076,000;

total cattle, 1,188,480, $37,348,000; 279,076 sheep, $1,116,000; 940,436 swine, $7,523,000.

Owing to depressed conditions, most of the Live Stock organizations in the Province either postponed or omitted holding 1932 Annual Meetings and the officers elected in 1931 carried on for the additional year. An exception was the Saskatchewan Stock Growers' Association, which held its 20th Annual Meeting at Maple Creek, June 16-17, 1932, when James McDougald, Maple Creek, was elected President and Edward Evans, Moose Jaw, Secretary-Treasurer.

It was reported by the Dairy Commissioner that production during 1931 was the highest on record for the Province, although owing to lower prices the total value of dairy production was less than for a few previous years. The output of creamery butter for the year amounted to 18,960,352 lb., an increase of 36.2 per cent. over 1930. The total value of all dairy products including butter, cheese, ice-cream and milk and cream consumed, was $16,007,900, or $3,888,200 less than the previous year.

The Saskatchewan Dairy Association, owing to unfortunate conditions in the Province caused by crop failures, held no convention in 1931-32. The officers previously elected remained in office for another year. The Saskatchewan Co-operative Creameries, Limited, went into the hands of the Receiver and Manager, S. C. Burton, early in 1932 as a result of difficulties caused by general conditions.

The Annual Meeting of the Saskatchewan Poultry Pool Limited was held in Regina on Feb. 25, 1932. During the year 1931 2,813,767 doz. eggs were handled by the Association, at a total value of $380,000; 230,252 lb. of live poultry at an approximate value of $26,500; and 874,239 lb. of dressed poultry at a value of $168,000. The financial statement of the Pool showed a surplus and reserve for the year ended Jan. 31, 1931, of $21,481, with assets totalling $57,964 and liabilities, $32,475. The total membership of the Association at the end of the fiscal year was 7,347, of which number 6,381 were producer members, and 966 were retail merchants, an increase in total membership over the previous year of 910. Mrs. N. Morrison, Spalding, was elected President and Mrs. J. D. McKenzie, Lashburn, Vice-President.

According to the Annual Report of the Saskatchewan Farm Loan Board for the year ended Dec. 31, 1931, 907 loans were made amounting to $2,633,350. This brought the total since the inception of the Board to 6,580 loans totalling $17,089,151. Approximately 3,000 applications covering both inspected and uninspected properties, had been received. During the year 59 farms were acquired through foreclosure, the sum of $222,910, of which $130,656 was principal, being due against them. Interest earned in 1931 amounted to $884,740. Collections during the year were discouraging on account of drought conditions and prevailing low prices of farm commodities.

The United Farmers of Canada, Saskatchewan Section, Limited. The Annual Convention of the United Farmers of Canada, Saskatchewan Section, Limited, was held at Saskatoon, Feb. 23-27, 1932. In his Presidential address, A. J. Macauley, denounced the existing economic system, "which combines dictatorship of the highest degree, compulsion, confiscation, the destruction of personal initiative and the refusal of personal liberties," and urged farmers and other citizens "to bear their share in the process of bringing about a new social economic system of co-operative production for use." During the course of a speech to the Convention delegates, L. C. Brouillette, President of the Canadian Wheat Pool, announced that a conference of leaders of farmers' organizations would be called by the Wheat Pool in the near future, with a view to drafting a national agricultural policy. The Report of the Board of Directors stated that 14 new lodges had been formed and that the membership stood at 25,549, a decrease from the previous year of 1,208. The Financial Statement showed assets of $84,256 and liabilities of $76,593 as at Dec. 31, 1931. Income during the year was $16,-

256 and expenditures, $18,077, leaving a deficit of $1,821. A Board resolution calling for the raising of $10,000 within four months or, failing that, consideration of ways and means of dissolving the Association, was unanimously carried.

The "twenty-one plank platform," which had been adopted at the 1931 Convention, was re-drafted at the 1932 Convention. It divided the policy into Provincial and Federal Sections, the Provincial being as follows: (1) public ownership of all Provincial natural resources; (2) substitution of "use lease" for land titles and arrangements to prevent foreclosures by exchange of Provincial bonds for equity, based on actual economic value to the land and not on its speculative price; (3) assistance to *bona fide* co-operatives, by providing legal safeguards, and enactment of legislation creating 100 per cent. co-operative organizations; (4) establishment, maintenance and extension of essential social services, and of state annuities for the aged or the disabled as well as state unemployment, sickness, accident, crop and fire insurance; and (5) Amendments to the Debt Adjustment Act and work for all at a living wage as a temporary measure pending the setting up of a planned system of national economy. From the Federal Government were demanded: (1) socialization of currency and credit; (2) public ownership and operation of transportation and communication; (3) establishment of a national economic stabilization board; (4) assistance to *bona fide* co-operatives by supplementing Provincial legislation where necessary; (5) establishment, maintenance and extension of essential social services; (6) assistance to the Provincial Government in bringing about adjustment of outstanding liabilities as between creditor and debtor; and (7) recognition of the state's responsibility to provide suitable work for all at a living wage. In addition to this statement of its policy, the Convention passed many resolutions, some of which demanded: pensions legislation for blind persons; Amendments to the Bank Act to give the Provinces the same privilege as chartered banks to secure funds direct from the Minister of Finance without the necessity of selling bonds through a financial house; investigation of price spreads in gasoline, and the monopolistic features of oil distribution and oil business; the immediate release of the eight Communists sentenced under Section 98 of the Criminal Code and the right of assembly and free speech; complete abolition of the Senate; and that the Dominion Government request the British Government to appoint a resident trade commissioner in Saskatchewan on account of the opening of Port Churchill. With overwhelming support opposition was declared to wars brought about by capitalist interests, and the Convention resolved "that we refuse to take part in the organized murder of workers for the sake of the class that profits by our poverty." At the same time the Communist doctrine of class war was repudiated in the rejection of an amendment declaring that the farmers would turn the war on the "capitalist war-makers" and achieve a working-class victory. As a fulfilment of the resolution passed at the 1931 Convention to the effect that the United Farmers should enter politics as an organization, that body entered into a solemn pact with the Independent Labour Party during the last sessions of the Convention. Three members of the Labour Party were on the Directive Board, which was to control the political activities of the farm body, and it was expected that a more complete merger would be brought about at another Convention in July. The political programme centering around the ideal of a "co-operative commonwealth" of the two groups was similar in most respects to those of the United Farmers of Alberta and Manitoba. The officers were re-elected for 1932-33 as follows: President, A. J. Macauley, Waseca; Vice-President, J. F. Herman, Rocanville; and President of the Women's Section, Mrs. L. Lucas.

The Saskatchewan Wheat Pool. At the Semi-Annual Meeting of the Saskatchewan Co-operative Wheat Producers, Limited, held in July, 1931, resolutions were passed urging the establishment of a national marketing board to control the marketing of the 1931-32 crop or, as an alternative, that a similar organization be set up by the three Prairie Provincial Governments "with enabling legislation and financial support from the Federal Gov-

ernment"; requesting the Provincial Government to permit distribution of the 1928 crop balance; approving proposals for liquidating the 1929 overpayment of the Pool on an individual basis, repayment to the Government and the Banks to be made out of future earnings of the Pool Elevator system; and objecting to any interference, either by the Federal or Provincial Governments, in the operation of the elevator system until such time as the Pool failed to meet its obligations. Approval was expressed of the policy that Pool members be permitted optional wheat sales methods by either delivery to the Pool with an initial payment or to the local elevator at an open market price, no elevator or commercial reserve deduction to be made from grain delivered to the Pool for the 1931 crop season; that a commission department be set up and that Pool elevators handle non-pool grain on an open market basis.

On Oct. 21, occurred the widely-regretted death of A. J. McPhail, President of the Saskatchewan Wheat Pool since its incorporation in 1924.

The Annual Report of the Board of Directors presented at the Seventh Annual Meeting of the Wheat Pool, held on Nov. 18-24, 1931, stated that deliveries to the Wheat Pool for the crop year 1930-31 amounted to 75,826,357 bushels of wheat, or 46.9 per cent. of the total crop marketed in Saskatchewan, as compared with 76,555,208 bushels in 1929-30. As at Oct. 31, 1931, there was on record a total of 82,870 operative wheat contracts covering a net acreage of 9,541,217. Net operating expenses totalled $403,183, as compared with $723,172.

The Report announced that since the holding of the 1930 Annual Meeting the monthly average cash closing price basis, One Northern, Fort William, had been under 60 cents with the exception of May and June, when it had been 60.6 cents and 60.4 cents, respectively. It had not been found possible, therefore, to make any further adjustments to growers delivering grain on the lower initial payment bases.

In reference to a resolution passed at the Semi-Annual Meeting in July, authorizing the Board to negotiate with the Government of Saskatchewan for the distribution to all growers of the balance due them on the 1928 crop, the Report stated that the Government had authorized distribution amounting to about $300,000, those who had received an overpayment on the 1929 crop to have the sum due them on the 1928 crop decreased by that amount. The Government, however, was subsequently advised that this money had to be applied on bank advances and that the Legislature would have to increase the scope of the guarantee legislation before any distribution could be made by the Pool. Action in this connection was therefore postponed until the next Session of the Legislature.

The net amount of the overpayment on the 1929-30 Pool to be covered by the Government guarantee, was $13,265,054, after deducting the 1928 Surplus. Direct liabilities, during the year ended July, 1931, were reduced $1,300,000 (representing the amount of the capital payments to Liquidators of the Saskatchewan Co-operative Elevator Company and also to the Provincial Government). The Depreciation Reserve was increased from $3,686,121 to $4,923,255; the Operating Reserve from $2,051,324 to $2,671,412; and the liquid working capital from $450,000 to $3,166,201 (partly accounted for by the fact that no distribution of surplus earnings or dividends was declared on the 1930-31 operations). Total net earnings of the Country and Terminal Elevator System amounted to $1,880,556, as compared with $2,290,971 the previous year, which showed a net profit on the year's operations of $1,787,291. The delegates re-affirmed their belief "in the soundness of the principle of the Pool method of co-operative marketing," and recommended that at all Wheat Pool Meetings full consideration be given to the terms and conditions of a marketing programme which might best meet the requirements of the farmers of the Province. Another resolution requested the Federal Government to grant a bonus of $1.00 per acre on all seeded acreage in the drought area. L. C. Brouillette, Landis, was elected President for 1931-32 and J. H. Wesson, Maidstone, was made Vice-President.

The Local Government Board. The Report of the Local Government Board for the year 1931, indicated that unprecedented circumstances had arisen owing to crop shortages in the south, and the difficulty experienced in harvesting at the proper time, coupled with the low prices offered for grain and farm produce generally, which affected the whole Province. Certain communities, for the first time, could not meet their obligations promptly. The Board, the Report stated, had been able, however, to assure debenture creditors that in nearly every case of delayed payment, the security upon which the loan was based was ample, and that the debt would be paid with the return of even average conditions.

The Board authorized the issue of debentures by local authorities to the value of $1,907,318, as compared with authorizations valued at $5,914,191 in the previous year. Of the 1931 amount, $1,499,291 was for cities; $61,851 for towns; $20,000 for villages; $10,000 for rural municipalities; $271,700 for school districts; and $44,475 for rural telephone companies.

Education. According to the Annual Report of the Department of Education (Minister, Hon. J. T. M. Anderson, M.A., LL.B., D.PÆD.) for the year ended Dec. 31, 1930, 68 new school districts were organized during the year, making a total of 4,939 districts. The number of schools in operation was 4,744, an increase of 59 over the previous year and the average number of days that schools were in operation was 201.33 as compared with 198.90 in 1929. 220,352 pupils were enrolled in elementary school districts, an increase of 657 and in secondary schools, 7,956. Pupils in day vocational classes numbered 1,143; those in evening vocational schools, 1,701. During the year 3,100 students of Grade XI and 1,382 students of Grade XII passed qualifying examinations for Normal School training as teachers. Over 1,900 professional certificates were issued to Province-trained teachers, and over 1,000 students were enrolled in the Provincial Normal School, Regina; 807 at Saskatoon, and 642 at Moose Jaw.

The new Public School Curriculum and Teachers' Guide, which was distributed to the schools at the beginning of the Autumn Term, was chiefly planned by John S. Huff, M.A., D.PÆD., Commissioner of Education, with the assistance of a Consultative Committee, and had been submitted for consideration in its draft form to a Special Conference called Apr. 29-30, 1931. The Curriculum emphasized the importance of child welfare in education, eliminating all home-work and also punishment, when shown to interfere with the child's health or happiness.

In September, 1930, the Outpost Correspondence School became part of the Saskatchewan Government Correspondence School. In the school year 1930-31, 617 pupils received instruction in the Public School Grades and 5,750 were enrolled in the High School Correspondence course.

Registration at the University of Saskatchewan for the session of 1931-32 comprised 1,578 students in regular Winter courses; 1,285 in Correspondence classes and Summer school and Night classes; 113 in Short courses at the University; and 17,671 in Short courses elsewhere. There were three appointments: that of A. H. Ewen, M.A.(ABER.), B.S.A.(EDIN.), as Assistant Professor of Animal Husbandry; J. W. T. Spinks, D.SC.(LOND.), as Assistant Professor of Chemistry; and L. L. Dines, PH.D., F.R.S.C., as Dean of the Junior College. L. E. Kirk, PH.D., Professor of Field Husbandry, resigned to accept the appointment of Dominion Agrotologist, and A. Galloway, M.B.C.M.(ABER.), Assistant Professor of Anatomy, resigned to accept an appointment in Johannisberg, South Africa. At the Annual Convocation, held May 20, 1932, the Honorary Degree of Doctor of Laws (LL.D.) was conferred upon Joseph Wright Sifton, Superintendent of Schools, Moose Jaw, Saskatchewan.

The Learned Report entitled *Local Provision for Higher Education in Saskatchewan* and prepared by a Commission consisting of W. S. Learned, Staff Member of the Carnegie Foundation for the Advancement of Learning, and E. W. Wallace, Chancellor of Victoria University, Toronto, was submitted to the University of Saskatchewan early in 1932. The Report was the out-

come of a request made to the Carnegie Foundation in February of that year by the Senate, Governors and Council of the University of Saskatchewan, for a review of the situation arising out of the proposal of Regina College that it be affiliated as a four-year institution with the University, the latter to carry on examinations and confer degrees. The Commission found against the proposal of Regina College, believing that both financial conditions and the educational needs of the district would enable the College ultimately to serve the community best by co-operating with the Collegiate Institute in the field of secondary education.

More far-reaching in its implications was the Commission's view of the function of the Junior College in Canadian Education. Such a College was seen as possessing an intrinsic value of its own (apart from its value as a preparation for the University) as a training-ground for future citizens, as "a genuine Community College, with courses far outranging the University preparatory work, and touching the community in a dozen other ways, much as the College (*i.e.* Regina College) now reaches the City of Regina at large through the Conservatory of Music and its Department of Expression." Of this idea the technical and vocational courses such as those given by the Technical School were an essential part. The Committee also went on record as approving "under the existing conditions, the concentration in one responsible, state-controlled institution of the authority within the Province to issue and evaluate educational degrees," in opposition to the division of public funds which, they feared, might ultimately result from such affiliation as had been mooted between Regina College and the University. Previous to preparing the Report, the Commission made an investigation of the problem of higher education in all the four Western Provinces. In its draft form the Report was submitted for approval to Sir Robert Falconer, President of the University of Toronto, and to Dr. George H. Locke, Chief Librarian of the Public Library of Toronto.

At a Meeting of the Board of Governors of Regina College on June 23, 1932, the decision was finally reached to affiliate the Regina College Conservatory of Music with the University of Saskatchewan, which would recognize the instruction of the former for the Degree of Bachelor of Music, as well as for the Licentiate and Associate in Music, all examinations to be held at Regina College.

Public Health. During the fiscal year ended Apr. 30, 1932, the Department of Public Health (Minister: Hon. F. D. Munroe) spent $1,182,443, or a *per capita* expenditure of $1.28. Of this amount $618,990 was paid in hospital grants and $287,960 was spent in the maintenance of 2 mental hospitals and a psychopathic ward. Two cancer clinics were established and administered as a branch of the Department. Maternity grants amounting to $49,968 were received by 1,842 needy mothers.

The Division of Public Health Nursing, with 13 nurses, carried on a generalized public health programme, visiting, in 1931, a total number of 1,053 schools, inspecting 34,564 pupils; held 122 infant and pre-school health conferences where 4,721 children were examined by a doctor; and organized 187 weighing centres with an attendance of 2,433; made 11,784 home visits in connection with prenatal, infant welfare, school, etc.; and gave 13,847 treatments for trachoma.

64 Hospitals in the Province received Government aid in 1931, 3 Sanatoria for the treatment of tuberculosis being included in this number. The aggregate number of beds was 3,957, while there were 904 reserved for tubercular patients and 324 for isolation purposes. Saskatchewan had one hospital for every 233 of its population. 58,759 people received treatment in hospital for 925,470 days or 6.4 per cent. of the population. The sum of $9,647,220 was invested in hospital buildings and equipment.

The Division of Sanitation reported 12,056 inspections as made in 1931. 34 certificates were issued during the year authorizing the construction or extension of waterworks systems, representing an expenditure of $939,900.

The cost of free distribution of biological products to physicians and hospitals amounted to $14,306. A total number of 32,964 examinations were performed by the Provincial Laboratory, representing a commercial value of $122,711. Treatment was provided for 2,886 patients by the two Mental Hospitals during the year and between 56 and 60 per cent. of admissions were paroled. The Psycopathic Ward admitted 184 patients.

The Annual Report of the Bureau of Child Protection for the fiscal year ended Apr. 30, 1931, showed that there were 1,030 children placed in foster homes and to date, 1,524 wards, including those of Regina, Saskatoon and Moose Jaw Children's Aid Societies. 189 wards had been legally adopted during the year, in addition to 72 other adoptions put through by the Department. The Commissioner, in his Report, mooted the question of child support in cases where fathers sought assistance, proposing that Mothers' Allowances be called Children's Allowances and that provision be made for their payment to fathers, or else that a temporary guardianship be arranged in certain cases. The policy of the Department, it was stated, would be, in future, to have children brought up in free or paid foster homes and not in institutions.

At Apr. 30, 1931, the number of mothers receiving allowances under the Mothers' Allowance Act was 1,633 as compared with 1,426 at the end of the previous year and the amount paid during the year was $544,250, as compared with $467,575.

Railways, Labour and Industries. The Report of the Department of Railways, Labour and Industries (Minister: Hon. J. A. Merkley) for the fiscal year ended Apr. 30, 1931, showed that municipal public relief works to the extent of $3,101,643 and direct relief to the extent of $541,902 had been handled through the Department. Work camps for single unemployed men had also been established. In 1930 railway mileage in the Province was increased by 185.92 miles, put into operation by the Canadian Pacific Railway, and 224.41 miles, put into operation by the Canadian National Railways, making a total of 8,587.11 miles of railways in the Province at Dec. 31, 1930.

A new order No. 6 was passed by the Minimum Wage Board on Mar. 13, 1932, affecting the minimum wage rates of experienced workers in shops, stores, laundries, factories, mail order houses, hotels, restaurants, refreshment rooms, beauty parlours and barber shops, permitting of a reduction of 10 per cent. for a period of 5 months from June 1, 1932.

The Old Age Pensions Branch reported 6,227 recipients of Old Age Pensions, the total amount paid during the year ended Apr. 30, 1931, having been $1,302,727 as compared with $971,461 to 4,537 pensioners in the previous year.

According to the Annual Report of the Workmen's Compensation Board for the calendar year 1931 (figures for 1931 are provisional) total receipts estimated were $616,392 and total disbursements, $513,246, leaving an estimated surplus of $103,145, compared with the surplus of $176,819 in 1930. Total number of accidents reported in 1931 was 4,722, as compared with 3,335 in 1930, while 4,976 employers made returns to the Board for 1931 compared with 4,214 for 1930. Income for 1931 amounted to $617,524 and expenditures to $518,978 leaving a surplus of $103,145.

Public Works and Highways. The amount expended by the Department of Public Works (Minister: Hon. J. F. Bryant) on Administration, the Lieutenant-Governor's Office, and Public Buildings, for the financial year ended Apr. 30, 1931, was $2,315,261 of which $1,284,469 was for maintenance of public buildings. The cost of superintendence and inspection of public works (capital) was $766,384. The population of the institutions under the supervision of the Department totalled 2,954, which was distributed as follows: Battleford Hospital, 1,024; Weyburn Hospital, 1,270; Regina Jail, 213; Prince Albert Jail, 186; Moosomin Jail, 90; and Battleford Jail, 24. The Home for Infirm housed 81, and the Industrial School for Boys, 66.

The Annual Report of the Department of Highways (Minister: Hon. A. C. Stewart) for the fiscal year ended Apr. 30, 1931, announced the transfer of the Revenue Branch from the Provincial Secretary's Department, which previously administered it, at the beginning of the fiscal year, May 1, 1930. Total Net Revenue from this Branch, which included those branches having charge of the administration of The Vehicles Act, The Public Vehicles Act and The Gasoline Taxation Act, was $3,806,056, showing an increase of $806,518 over the previous year. Decentralization of the work of the Department by the establishment of eight engineering districts became effective at the beginning of the fiscal year 1930-31. The amount expended on construction, reconstruction and surfacing of Provincial highways during the fiscal year was $7,500,238 and on secondary highways and colonization roads under the supervision of the district engineers, $377,263. Contracts for the improvement of market roads entered into with rural municipalities numbered 1,063, totalling $558,768. 42 relief road camps were established in the southern part of the Province, on which $992,457 was spent, making a total for relief road work for the year of $1,131,096. Of this amount, $500,000 was reimbursed to the Province by the Federal Government. Approximately 9,000 men and 25,000 teams were given work in these camps. All but $138,637 of the total of $10,401,610 authorized for highways expenditure during the fiscal year ended Apr. 30, 1931, had been paid out by the Department.

Natural Resources; Power Commission. The first Annual Report of the Department of Natural Resources covering the seven-months' period since the taking over of the Natural Resources from the Dominion on Oct. 1, 1930, to Apr. 30, 1931, stated that the transfer had brought 96,187,394 acres under the control of the Department, exclusive of 79,000,000 unsurveyed acres. There were also transferred outstanding accounts totalling approximately $22,008,592. The Revenue of the Department during this period amounted to $284,981, and the Expenditures to $267,692, leaving a Surplus of $17,289. This Revenue did not show a material decrease from that collected by the Dominion in the year and a half immediately preceding the transfer, in spite of the difficult economic situation, and administrative expenses, on the other hand, had been reduced by 60 per cent. as compared with those when under Federal control.

On Oct. 20, 1931, the Judicial Committee of the Privy Council dismissed with costs the appeal of the Province of Saskatchewan against the decision of the Supreme Court of Canada on Feb. 3, 1931, which ruled that the Dominion did not have to account to the Province for lands within its boundaries alienated by the Dominion prior to Sept. 1, 1908, the date of the formation of the Province. The Province had contended that the accounting should be dated from 1890 when Prince Rupert's Land and the North West Territories became part of the Dominion. The case concerned the Provinces of Saskatchewan and Alberta but the appeal to the Privy Council had been made in the name of the former. The Privy Council had concluded its case on July 10, 1931, judgment being reserved until October.

According to the Third Annual Report of the Saskatchewan Power Commission for the fiscal year ended Dec. 31, 1931, the Commission owned and operated 1,151 miles of transmission line at the end of 1930. They added in 1931, 53.5 miles of new construction and 117 miles by way of purchase of the Nokomis system, making a total of 1,321.5 miles of transmission line owned and operated by the Commission at Dec. 31, 1931. One permission—to the Canadian Utilities Limited—for transmission line extension was issued by the Commission during the year. Less important additions were made to the generating capacity of power plants in the Province, with the exception of the installation of a 10,000 k.w. unit at Moose Jaw by the National Light and Power Company Limited and additional boiler capacity at the city-owned plant in Regina. The ownership and operation of the Prince Albert system was taken over by the Canadian Utilities Limited early in 1931. The installed capacity in generating plants under all forms of ownership, in the

Province was 97,324 k.w. A report received in 1931 on a contemplated project of the Commission—to develop water power on the North Saskatchewan River, at Big Bend near Fort à la Corne Post Office, 17 miles north-east of the village of Kinistino—declared the plan to be physically and economically feasible, at a total capital cost of $18,067,135. The Commission, however, considered the undertaking impracticable owing to economic conditions which had intervened between the time of the inception of the report and its completion. It was noted that 1931, the first year of operation of the transmission system, could not be taken as a criterion of future results, and an immediate increase in consumption and revenue was anticipated upon the improvement of conditions. The net loss for the year after providing for interest, depreciation and replacement reserve was $35,880. The Commission had unused replacement reserves, excluding the reserves applicable to the power plants at Saskatoon, Swift Current and North Battleford, amounting to $42,120, or $5,114 in excess of the total loss of $37,006 incurred since the creation of the Commission. In addition to the reserve for replacements and contingent losses provided for during the year, there had also been set aside to sinking fund, an amount of $126,545, bringing the total Sinking Fund Reserve up to Dec. 31, 1931, to $744,931 or over 10 per cent. of the capital investment in plant.

The Liquor Board. According to the Sixth Annual Report of the Liquor Board of Saskatchewan for the year ended Mar. 31, 1931, 11 stores for the sale of beer only were established and 30 beer stores, owing to the effect of depressed economic conditions on beer sales, were closed. 296 banquet permits were issued, a decrease of 52 under the previous year; permits issued to druggists, physicians, dentists, veterinarians and persons requiring permits for manufacturing and scientific purposes numbered 199, being 33 less than were issued in the previous year. The decline in the number of special quantity permits issued continued, 1,931 being issued during the year.

The total income of the Board for the year ended Mar. 31, 1931, was $9,205,266, of which $9,158,432 came from sales of liquors. Purchases amounted to $5,195,548; store expenses, $812,830; warehouse expenses, $85,407; and after deducting other expenses, profits amounted to $1,516,245.

Municipal Affairs. According to the Annual Report of the Department of Municipal Affairs for the fiscal year ended Apr. 30, 1931, the trend of assessments generally was to shift the burden of taxation from land to other bases. Land in urban municipalities comprising 42 per cent. of all taxable assessments in 1926 had decreased to 37.4 per cent. in 1930. Taxation, which reached a new high level in 1929, commenced to react in 1930 to the adverse financial conditions, resulting in a slight decline in both municipal and school taxes in rural municipalities, although some increases occurred in urban municipalities. Percentages of taxes collected in 1930 declined in all classes of municipalities: rural, from 63.6 per cent. in 1929 to 41.55 per cent. in 1930; urban-villages, from 69.02 per cent. to 59.31 per cent.; towns, from 64.77 to 57.36 per cent.; cities, a net decrease of only 2 per cent. from the record of 73.96 per cent. of 1929. Total Revenue for 1930 amounted to $15,327,338, while total Expenditure was $14,871,679.

Resolutions were passed by the Union of Saskatchewan Municipalities in Annual Convention at Saskatoon, June 22-3, 1932, called for the following: the setting up by the Dominion and Provincial Governments of a representative and qualified Commission to inquire into the causes of the economic situation; amendments to legislation dealing with tax exemption, with a view to restricting the scope and extent of statutory exemptions; the establishment of an Unemployment Insurance Fund by the Federal Government and the bearing of the entire cost of relief by the Dominion; amendments to the Town Act, authorizing the town to take security by way of mortgage on land for payment of taxes and other indebtedness to the town; and the repeal of that

section of the Town Act, which gives the railroad companies or occupant an unfair advantage in the matter of assessment over all property owners. H. Shaw, Assiniboia, was elected President of the Association and W. E. Hodge, Moose Jaw, was made Secretary-Treasurer.

The Saskatchewan Association of Rural Municipalities held their 27th Annual Convention at Moose Jaw, Mar. 2-4, 1932. During the course of his address the President, G. H. Hummel, estimated that the amount of tax arrears owing to the municipalities at the end of 1931 would probably be over $30,000,000. The total arrears, including tax sale holdings for the year 1930 had been $19,140,302. The Prime Minister, Hon. J. T. M. Anderson, in a speech to the delegates referred to the work of the Relief Commission and asked the municipalities to lend their assistance and pass on their suggestions for a better working commission for consideration. Resolutions were passed at the Convention urging the Provincial Government to reserve the field of taxation on land values entirely for municipalities; to give municipal councils the right of levying a compulsory poll tax on all residents not otherwise taxable to a maximum of $5.00 a year; to give municipal councils veto powers over school expenditures; to regulate and control fees charged by doctors, not only to municipalities, but also to the general public; to assume responsibility for the payment of interest on relief loans for all municipalities; and, in conjunction with the Federal Government, to work out a plan to provide for amortization of all farmers' debts over a period of 20 years with interest at not more than 4 per cent. The following officers were elected for 1932-33: President, G. H. Hummel, Nokomis; Vice-President, J. R. Near, Pinkham; and Secretary-Treasurer, J. J. McGurran, Regina.

The Directors' and Auditors' Reports of the Saskatchewan Municipal Hail Insurance for the year ended January 31, 1931, stated that the two preceding years had been the most difficult in its experience, financially, and that serious consideration should be given to: proposed changes in the methods of assessment; administration and inspection; the financial situation and ability to pay claims. The unpaid hail assessments due the Association at the end of 1931 amounted to $1,436,000 as compared with $772,000 at the end of 1930, while liquid reserves at the end of 1930 and 1931 were $2,103,219.19 and $1,574,179, respectively. During the season of 1931, 5,022,688 acres of crop were insured by 35,086 farmers, 3,521 of whom filed claims for loss covering 494,720 acres of crop. The year's operations resulted in a surplus of $637,181 as compared with a deficit in 1930 of $356,454.

The Province of Saskatchewan

(As at June 30, 1932)

Lieutenant-Governor ..... His Honour Lieut.-Col. Hugh Edwin Munroe, O.B.E., M.D., F.A.C.S.

The Anderson Ministry (Co-operative)

Prime Minister, President of the Council, Minister of Education, and Minister of Natural Resources	Hon. J. T. M. Anderson, LL.B., D.PÆD.
Attorney-General	Hon. M. A. MacPherson, LL.B., K.C.
Minister of Agriculture	Hon. W. C. Buckle
Minister of Municipal Affairs, and Minister in charge of Office of the King's Printer and Bureau of Publications	Hon. Howard McConnell, LL.B., K.C.
Provincial Treasurer	Hon. M. A. MacPherson, LL.B., K.C.
Minister of Public Works, Minister of Telephones and Telegraphs, and Minister in charge of Office of Fire Prevention and Insurance	Hon. J. F. Bryant, M.A., LL.B., K.C.
Minister of Public Health, and Minister in charge of Administration of The Child Welfare Act	Hon. F. D. Munroe, M.D.
Minister of Highways	Hon. A. C. Stewart, LL.B., K.C.
Provincial Secretary, and Minister of Railways, Labour and Industries	Hon. J. A. Merkley
Minister without Portfolio	Hon. R. Stipe, M.D.
Minister without Portfolio	Hon. W. W. Smith

Speaker of the Legislative Assembly ..... Robert Sterritt Leslie (Rev.)

Heads of the Administrative Services

Clerk of the Executive Council	G. M. Carmichael
Deputy Attorney-General	Alexander Blackwood
Deputy Provincial Secretary and Registrar of Joint Stock Companies	G. M. Carmichael
Deputy Provincial Treasurer	A. Perring Taylor
Provincial Auditor	G. L. Hopkins
Superintendent of Insurance and Fire Commissioner	A. E. Fisher
Deputy Minister of Agriculture	F. H. Auld
Deputy Minister of Education	J. S. Huff, M.D., D.P.ÆD.
Director of Rural Education	A. R. Brown, B.S.A.
Deputy Minister of Railways, Labour and Industries	T. M. Molloy
Deputy Minister of Telephones and Telegraphs	W. Warren
Deputy Minister of Municipal Affairs	J. J. Smith
Chairman, Saskatchewan Assessment Commission	Murdo Cameron
Deputy Minister of Public Works	J. M. Smith
Chairman, Local Government Board	S. P. Grosch, K.C.
Deputy Minister of Highways	H. S. Carpenter
King's Printer	R. S. Garrett
Deputy Minister of Public Health	Dr. F. C. Middleton
Deputy Minister of Natural Resources	John Barnett
Legislative Counsel	J. P. Runciman
Clerk of the Legislative Assembly	G. A. Mantle
Chairman, Public Service Commission	P. H. Shelton
Commissioner, Bureau of Child Protection	L. B. Ring
Provincial Librarian	Mrs. A. Bothwell
Commissioner, Bureau of Publications	T. A. McInnis
Chairman of the Liquor Board	J. E. Armstrong
Commissioner, Saskatchewan Farm Loan Board	William McInnes
Chairman, The Workmen's Compensation Board	Netson R. Craig, K.C.
Commissioner, Saskatchewan Power Commission	L. A. Thornton
Registrar, The Security Frauds Prevention Act	Stewart Adrain
Director of Nursing Services	Miss Ruby M. Simpson
Provincial Architect	Harold Dawson
Chairman, Saskatchewan Minimum Wage Board	Alfred J. Wickens, K.C.
Chairman, Public Service Superannuation Board	P. G. Ward
Chairman, Teachers' Superannuation Commission	R. F. Blacklock

THE PROVINCE OF ALBERTA

The Brownlee Government; General Affairs

Alberta's major problems of unemployment and financial indebtedness were similar to those of every other Province during 1931-32. The world-wide economic crisis was reflected in the Provincial Deficit for the year ended Mar. 31, 1931—the first in seven years. The agricultural situation was serious: crops had been fairly abundant, except in the drought-stricken areas where unusual distress from unemployment prevailed, but prices for farm products were so low as to bring to the farmer practically no return for his labour and to leave him unable to meet interest payments and other liabilities. To ameliorate general unemployment conditions the Provincial Government, in co-operation with the Dominion Government and the municipalities, undertook extensive programmes of construction of public works and of direct relief; and, in addition, certain highway work was provided by the Province on a relief basis in districts most effected by unemployment. The Debt Adjustment Act of 1923 was extended in 1931 and again during the 1932 Session, for two years, being endowed, at the same time, with further powers. No moratorium was enforced but creditors were urged by the Government to exercise leniency wherever possible.

When it was apparent that a Deficit of approximately four millions faced the Province for the fiscal year ending Mar. 31, 1932, further taxation measures were enacted and drastic economies were inaugurated by the Government in an effort to balance the Budget. The Prime Minister, Hon. J. E. Brownlee, months before the opening of the 1932 Session of the Legislature, had explained in a forecast of this necessary legislation, that the Deficit was accounted for by unexpected and extraordinary special expenditures arising out of the general economic conditions which had also affected the Provincial revenues. He stated that it was difficult to persuade the public that expenditures could only be made to the extent that revenues from various forms of taxation would permit; that an outstanding feature of the existing depression was the tendency on the part of individuals and local government bodies to shift responsibilities to the Provincial Government; and he enumerated some of the requests received in this connection: to take over from school districts complete financial control; to distribute widely seed grain and binder twine; to pay freight on coal; and to inaugurate extensive schemes for unemployment relief. While such new sources of expenditure were arising on the one side, the Government, on the other, were being urged to reduce taxation and to face a steady falling off in revenue. The Prime Minister continued:

The two positions are not consistent, and if present conditions should have to be faced for another year or more, the Government will be obliged,

through the sheer necessity of carrying on, to put into effect drastic economies or to substantially increase taxation, or both. Let me repeat,—our ability to pay depends entirely upon the revenue we receive from the people.

That the credit of the Province was excellent was shown by the over-subscription, to the extent of $15,000,000, in a few hours in February, 1932, of a $5,000,000, 6 per cent. Sinking Fund Debenture issue selling at 95.25.

One of the most difficult problems facing the Government during 1931-32 and one which absorbed the attention also of economists, industrialists and investors was that of the conservation of gas in the Turner Valley. Since the Government had become responsible for the Provincial natural resources in October, 1930, it had been discovered that the naphtha content in the case of many wells had rapidly fallen and, according to technical experts, a continuance of the prevailing wastage might exhaust the flow in the Valley in a very few years. In an effort to solve the problem an Advisory Board, representative of the oil and gas associations and independent producers was formed to act in co-operation with the Government. To this Board was delegated the task of endeavouring to work out a voluntary agreement of all interests. A group of technical experts, headed by F. P. Fisher of Mount Vernon, Ohio, who for years had been acting as advisor of the Board of Public Utilities Commission in all gas problems, was brought to the assistance of the Board. No agreement having been reached, the question was referred for consideration to The Agricultural Committee of the Legislature during the 1932 Session; conferences were also held with representatives of the Government and all interested parties at Calgary, Mar. 23-4, with Dr. R. C. Wallace, President of the University of Alberta. presiding. Legislation was finally enacted in the form of The Turner Valley Gas Conservation Act (See Legislation, this Section) which called for the appointment of a Board of three members to administer the Act; its personnel was announced on Apr. 18 as follows: Dr. R. C. Wallace, Chairman; A. A. Carpenter, Chairman of the Public Utilities Commission; and J. J. McLeish, Director of the Mines Branch of the Dominion Department of Mines. The new legislation received the approval of some of the strongest independent companies.

Three important announcements were made by the Prime Minister in June, 1932: that Hon. George Hoadley, Minister of Agriculture and Minister of Health had been made Chairman of the Commission of the Legislature appointed to investigate the whole question of state medicine; that the Province had entered into the Dominion-Provincial-Municipal Land Settlement scheme whereby selected families, whose heads had had previous farming experience, would receive grants of $600 each for settlement purposes—such grants to be kept in trust by the Province; and that the Province had under consideration a plan by which the system of small municipal units would be abolished in favour of fewer and larger districts, thereby eliminating the major part of the cost of government, both Provincial and municipal, while increasing efficiency of administra-

tion—a plan which was the result of two years' study by officials of the Department of Municipal Affairs.

The outstanding political incident of the period between July 1, 1931, and June 30, 1932, was the one By-Election in Red Deer occasioned by the death in August of the sitting U.F.A. Member, George W. Smith. Polling took place under the single transferable vote on Nov. 16, resulting in the election on the third count of W. E. Payne, Conservative, with a majority of 141 votes over the U.F.A. candidate, R. L. Gaetz, who polled 1,663 votes in the last count. Four candidates were in the field; in the first count the voting was as follows: J. A. Bannerman (Liberal), 503; F. G. Bray (Communist), 261; R. L. Gaetz (U.F.A.), 1,491; and W. E. Payne (Con.), 1,651.

It was announced in the Press on May 12, 1932, that a new political party had been organized in Alberta under the guidance of F. C. Moyer, Independent Member of the Legislature for Drumheller, who stated that the new Party was to be called "the Provincial Party" and that it was "a development and enlargement of the independent idea in Alberta politics, uniting all forces in opposition to the present Government."

Court Cases. The validity of the Security Frauds Prevention Act of Alberta was upheld by the Judicial Committee of the Privy Council in a judgment delivered on Feb. 4, 1932. Their Lordships allowed the appeal of Hon. J. F. Lymburn, Attorney-General of Alberta, and J. J. Frawley, Solicitor for his Department, against a ruling by Chief Justice Horace Harvey of the Appellate Division of the Supreme Court of Alberta. The Alberta decision upset by Their Lordships was that the Alberta Security Frauds Prevention Act was *ultra vires* in part; that it had no application to a Dominion company. The Alberta courts had granted an injunction to Albert Mayland, President, and Mercury Oils Limited, restraining the Department of the Attorney-General from investigating, under the provisions of the Security Frauds Prevention Act, a stock deal between the Solloway Mills interests and the Mill City Petroleum Company, in which Mercury Oils was involved. (See *The Canadian Annual Review, 1930-31,* page 270).

The Appellate Division of the Supreme Court of Alberta gave leave on May 9, 1932, to the Acme School District to carry their case, against John Steele-Smith, to the Supreme Court of Canada on the ground that, in upholding in their recent judgment the award to the plaintiff, John Steele-Smith, of $500 damages, their Lordships had not been aware of an Amendment to the School Act enacted between the time that they had heard argument and given judgment. The plaintiff had been dismissed by the Acme School trustees without leave having been obtained from the Superintendent which was contrary to the law in force since July, 1931. The later Amendment excluded from this law all contracts terminating between June 1 and the date of the Amendment.

The provisions of the Vehicles and Highway Traffic Act as contained in Section 52, compelling persons involved in an automobile accident to return to the scene and give full information, were declared *ultra vires* of the Provincial Legislature in a judgment handed down by Mr. Justice Clarke in the Appellate Division of the Supreme Court of Alberta on Apr. 15, 1932. The Section had been attacked as being *ultra vires* because a somewhat similar provision was contained in the Dominion Criminal Code.

Judgment was given by Mr. Justice Ewing, Trial Division, Supreme Court of Alberta, on May 27, 1932, in favour of the Banque Canadienne Nationale against the Canadian Live Stock Co-operative (Alberta) Limited for $5,672 and for $9,500 against the St. Paul Co-operative Live Stock Association, Limited. The action arose out of the financial difficulties of the

latter Association, for whom the Directors of the Alberta Live Stock Pool offered themselves as trustees in order that it might receive credit at the Bank, but the "Pool" subsequently refused payment on the ground that it had no powers to act as trustee and that its Directors had no authority to borrow money.

The decision of the Supreme Court of Alberta in the case of the firm, Spooner Oils Limited *vs.* the Turner Valley Gas Conservation Board and the Attorney-General of Alberta, was given on June 20, 1932, by Mr. Justice Ewing, who dismissed with costs the application of the plaintiff Company for an injunction against the Conservation Board and the Attorney-General on all four sections upon which the case rested. It was held by the Court that the Turner Valley Conservation Act did not infringe upon Federal regulations governing inter-Provincial trade; that it did not violate the Natural Resources Agreement; that General Order No. 1 of the Conservation Board was within the powers granted by the Alberta Legislature; and that it would be premature to grant an injunction against a tax levy (a levy of a definite amount upon each thousand cubic foot of gas, each gallon of naphtha or other product from the wells to defray the expenses of the Board) which might never materialize.

The Second Session of the Seventh Legislature

His Honour the Lieutenant-Governor, Hon. William Legh Walsh opened the Second Session of the Seventh Legislature of the Province of Alberta on Jan. 5, 1932. The Speech from the Throne stated that the following matters would require the consideration of the House: the extension of the operation and administration of the Debt Adjustment Act; the problems involved in the wastage of gas in the Turner Valley; the taking over of the policing of the Province by the Royal Canadian Mounted Police, to come into effect Apr. 1, 1932; the satisfactory progress made toward the consolidation of the various Co-operative Credit Societies, under the Alberta Co-operative Rural Credit Act passed at the 1931 Session; and the recommendations of the Committee appointed to study Workmen's Compensation and the administration of The Workmen's Compensation Act. The Speech also referred to the fact that a favourable agreement had been completed with the various Canadian banks respecting the final liability of the Province under the guarantee given in conjunction with the Provinces of Manitoba and Saskatchewan to the Canadian Co-operative Wheat Producers, Limited, as well as a further agreement with the Alberta Wheat Pool, providing for the repayment of this liability.

W. E. Payne, recently elected Conservative Member for Red Deer, having observed the usual formalities, was introduced to the Speaker by D. M. Duggan, Conservative Leader, and John Irwin, Conservative Member for Calgary. The Liberal House Leader, George H. Webster, was sufficiently recovered from a long illness to be present at the Opening and Hon. Irene Parlby, Minister without Portfolio, who had been an absentee, owing to a protracted illness, during the 1931 Session, was also in her accustomed seat.

G. A. Forster (U.F.A., Hand Hills) and Donald McLeod (U.F.A., Stony Plain) moved and seconded, respectively, that an Address in Reply to the Speech from the Throne be presented, Mr. Forster covering, in his speech, the agricultural situation in the Province and Mr. McLeod, advocating the assumption by the Dominion Govern-

ment of "their constitutional rights" by taking over the control of currency and credit.

W. R. Howson (Lib., Edmonton), speaking in place of Mr. Webster (Liberal House Leader) who was too ill to appear, opened the Debate on Feb. 8, with a critical review of the financial situation in the Province. He demanded an investigation into Provincial and municipal taxation and ended his lengthy address with a Motion of Censure which was seconded by J. M. Dechene (Lib., St. Paul). The Amendment, which was tantamount to one of "no-confidence" in the Government, was defeated by 37 to 19, U.F.A. and Labour Members being arrayed against the Liberal, Conservative and Independent groups. Resuming the Debate on the main Motion, Hon. Perren Baker, Minister of Education, in a spirited defence of the Government, refuted the statements of Mr. Howson. With regard to the charge of the withholding by the Government of financial statements from the Members, Mr. Baker stated that every Government reserved the right to hold information until such time as was deemed advisable to release it and he characterized Mr. Howson's charges about "panic legislation" as being "irresponsible." Answering a charge against the Fiscal Agency he pointed out that by this means the Government had been able to achieve most of its programme of $19,000,000 financing for the year before the serious financial situation arose; and as to the Royal Canadian Mounted Police agreement being a belated one, he stated that "the present" offer was a better one than any that had been previously made and that it embraced the taking over of all the duties of the A.P.P. Giving comparative figures of General Election costs, Mr. Baker showed that the Election of 1921 under a Liberal Government *régime* had cost $217,000; and that the 1926 Election under the "present" Government had cost $131,000 and the 1930 Election, $141,000.

Mr. Duggan (Conservative Leader) continued the Debate on Feb. 9. He demanded the appointment of a Budget Commission and a reduction in the number of Provincial constituencies. He claimed that the Government lacked stability, that they were not related to great social and economic forces outside the U.F.A. and he concluded his address with a Motion for a "no-confidence" Amendment which was seconded by H. C. Farthing (Con., Calgary). This second attack on the Government received the same fate as the one of the preceding day; it was defeated by 38 to 19.

Speaking for nearly two hours on Feb. 11, the Prime Minister, Hon. J. E. Brownlee, scathingly denounced the critics of the Government; he charged them with having dealt with unimportant matters while neglecting to contribute any constructive criticism; and he expressed his willingness to support probes by Special Committees of the Legislature into the Government's relation to the canteen fund and Turner Valley Gas Conservation measures, respectively. With regard to the latter item, he stated that as the voluntary agreement for gas conservation had been rejected by some of the companies there were two courses of action left open: to do nothing and permit

waste which would mean that in three years Calgary would not have sufficient gas to get through a hard Winter, or to take legislative action which would involve the appointment of a Special House Committee. Continuing, Mr. Brownlee compared the action of the Conservative and Liberal groups in the Alberta Legislature in staging two votes of want of confidence on exactly the same grounds as "could be applied to any other Government in Canada, Dominion or Provincial," with the action taken in the Dominion and Saskatchewan Houses with regard to the Speech from the Throne—that the Address-in-Reply Motion in both cases had been adopted without division. That the action of the Conservative Leader had brought forth a demonstration that clearly indicated the unity of Government Members and their complete willingness to face the challenge of the necessities of the times, was appreciated by the Prime Minister. (*The Edmonton Bulletin,* Feb. 12). Covered also by the Prime Minister in his address were the following: the unemployment situation and plans for its relief; proposed legislation for an income tax and the extension of the Debt Adjustment Act.

The Debate was concluded on Feb. 18, the Motion to Address a Reply to the Speech from the Throne being adopted without division. In all, 34 Members had taken part in the two weeks' Debate, some of those speaking after the Prime Minister on Feb. 11 being Messrs. Montgomery, Smith, Conner, Bowlen, Proudfoot, Dakin, Moyer, McPherson, Payne and Dechene.

The Budget Speech. The Provincial Treasurer, Hon. R. G. Reid, delivered the Budget Speech on Feb. 25, 1932. After a brief mention of the effect of existing world financial conditions on the Dominion and Provincial economic situation, Mr. Reid stated that with respect to the total yield and grade of wheat, the previous crop season had been one of the best in the history of the Province. The value of all field crops was estimated at $70,227,000, compared with $67,193,400, in 1930; and $132,448,000 for the year 1929. The dairy industry set a new high production record in 1931, valued at $15,750,000, and a new record was also established in the production of eggs, 80,000 cases being exported from the Province compared with 60,000 in the previous record year, 1924. The sugar beet crop surpassed all former figures for average tonnage per acre as well as showing the highest sugar content ever reached in Alberta, and, probably, the highest on the North American Continent for 1931.

Under the Alberta Co-operative Rural Credit Act which provided for the formation of the Alberta Rural Credit Corporation and which became effective on Aug. 1, 1931, the paid-up capital and reserve of the latter body at Dec. 31, 1931, was $302,170 and it was estimated that approximately $30,000 a year would be contributed to the Reserve Fund. The total loans outstanding as at Dec. 31, 1930, were $1,748,455 and at Dec. 31, 1931, were $1,902,093.

The Provincial Treasurer stated that the position of the Government with respect to the mortgages held upon the property of the Alberta Pool Elevators, Limited, had improved by the payment of the Pool to the banks of the sum of $250,000 on the Vancouver terminal property. In addition to the security on the Elevator system of $6,370,404 and payments on bank loans of $250,000, the Government had a floating charge on net current assets not specified in the Auditor's report of $2,859,080 as at July 15, 1931. This made a total security of $9,229,484 against advances of $5,649,687.

The Alberta Division of the Canadian Farm Loan Board which commenced operations in May, 1929, had, at Mar. 31, 1931, 1,641 mortgage loans

totalling $3,315,400 which had been approved at Ottawa. The total loans guaranteed by the Government under the terms of The Co-operative Marketing Associations Guarantee Act, passed at the 1929 Session was $414,560. Reductions made by these associations, including $12,540 paid subsequent to the date of the auditor's Report, totalled $51,952, and it was expected, the Provincial Treasurer stated, that further payments amounting to $8,918 would be made by two associations before the end of May, 1932. He announced that under the terms of the sale of the railways in 1929 there was due and payable to the Province the sum of $10,580,000 of which $5,000,000 was payable June 1, 1933, and the balance in June, 1939, and that the total amount on deposit in the Alberta Savings Certificates Office at Dec. 31, 1931, was $9,594,035, compared with $9,683,856 the previous year—a decrease of $89,821.

In dealing with the Natural Resources, the administration of which was in the hands of the Department of Lands and Mines created for that purpose, Mr. Reid observed that although the collection of revenue had been comparatively small owing to the unavoidable delay in obtaining the transfer of records from Ottawa, he believed that the Province had in its hands an asset of increasing potential value. A definite and tangible asset at the "present time is shown by a statement of accounts owing the Government on the records of the Department of Lands and Mines; the total outstanding as at Dec. 31, 1931, was $17,485,357." Although part of this amount had to be deducted for cancellations and abandonment of lands, the sum of $9,628,827 then held by the Government in the School Lands Fund, was not included in the statement.

The Net Funded and Unfunded Debt of the Province as at Dec. 31, 1931, amounted to $133,173,003. Statutory payments to the Sinking Funds were maintained and the total Sinking Fund at Dec. 31, 1931, was $6,058,734. Public Debt charges included statutory provision for Sinking Funds to the extent of $696,466.

Dealing with the final statements for the fiscal year ended Mar. 31, 1931, the Provincial Treasurer showed that there was a Deficit of $2,450,751 as follows: General Revenue, $2,306,581, and Telephones, $144,170. The Actual Revenue amounted to $15,137,997 which was $1,969,690 less than the Estimated Revenue of $17,107,687. The Actual Expenditure was $17,793,346 as against the Estimated Expenditure of $17,061,337, an increase of Actual over Estimated of $732,009. The new Department of Lands and Mines for the six months ended Mar. 31, 1931, showed a Surplus of $348,769: Revenue, $572,966 and Expenditure, $224,197.

A statement of Receipts and Expenditures for the nine months ended Dec. 31, 1931, showed a large difference between Revenue and Expenditure but the Provincial Treasurer stated that such a statement could not give any accurate index of the final results of the fiscal year ending Mar. 31, 1932. It was apparent, however, that a heavy Deficit was inevitable, but it was hoped that it would be below $4,000,000.

Dealing with Extraordinary Expenditures, Mr. Reid stated that the actual disbursements by the Province for unemployment relief to Jan. 31, 1932, were $2,588,537 and the cost of premium on New York funds to Feb. 5, 1932, was $675,137. Both these expenditures accounted in part for the increase in the Funded Debt of the Province. As to Capital Borrowings, during "the past fourteen months" the Province had faced an unusually heavy programme of financing. In addition to over $10,000,000 required to meet maturing Treasury Bills and Debentures, it was estimated that a similar amount would be needed for Capital Expenditures, unemployment relief and other purposes. Securities amounting to approximately $16,500,000 were marked through the Fiscal Agency before the bond market became stagnant. The average cost to the Province for this financing was 4.66½ per cent. and subsequent sale of bonds on a higher basis increased the average cost to 4¾ per cent. That the criticism with respect to the appointment of a Fiscal Agency to arrange for the sale of the Province's bonds during the period stated was unwarranted, Mr. Reid stated, was apparent in the light of subsequent events in the financial world.

An Estimated Surplus on Income Account was shown for the fiscal year ended Mar. 31, 1933, of $149,200, made up of Expenditures, $16,673,144 and Revenue, $16,822,344. On Income Account total reductions of $1,634,261 were made, as compared with the Estimates of the previous year. The appropriations for Public Debt were increased, however, to the extent of $683,685 and provision was made for certain interest and Sinking Fund charges, amounting to $10,556, in respect of aid to Drainage Districts. The net reduction amounted to $940,019. On Capital Account a reduction of $2,824,528 was made compared with the Estimates of the previous year.

The Provincial Treasurer explained that it was proposed to increase the Provincial Revenues from the following sources: (1) by a continuation of the contribution from salaries of Civil Servants and the University staff, estimated to yield approximately $200,000; (2) by the reinstatement previously announced of the former scale of licences on motor vehicles, and by increasing the scale of charges for truck licences, estimated to yield approximately $600,000; (3) by increasing the tax on Corporations: (a) a general increase of 10 per cent. in the tax, fees or licence paid by insurance, elevator, express, telegraph and miscellaneous companies, estimated at $62,420; (b) an increase of 10 per cent. in the railway mileage tax; (c) a general increase in the taxation of banks, of approximately $23,000, and (d) an increase in the taxation of trust and loan companies, and of gas companies. The Government would also recommend re-establishing the old scale of charges under The Amusement Tax Act, exempting, however, tickets of 10 cents and under, as well as certain changes in the Gallonage Tax on Beer. Mr. Reid concluded by announcing that the Government had under consideration the imposition of an Income Tax and that the Bill, to be submitted to the House for discussion, would contain an exemption for single men of $750 and for married men of $1,500 with a tax graduated from one per cent. upward. A four per cent. tax with an exemption of $1,000 would be suggested for Corporations.

The Debate on the Budget was one of the shortest on record. It came to an abrupt end on Mar. 1, after only six Members had spoken, leaving many well-prepared speeches of Opposition Members in an undelivered state. The Debate had died out, or collapsed, simply from lack of any attempt on the part of Government Members to respond to fire from the Opposition side of the House. Later, the Prime Minister explained that the Government refused to accept the position that a Member of the Government must answer each individual attack; that had such a plan been followed with regard to the Budget Debate, it probably would have been prolonged for several days; and that his own personal position was that he was prepared to forego the satisfaction of reply if by so doing he could expedite the business of the House and thus save time which could be devoted to other important Sessional matters.

W. R. Howson (Lib., Edmonton) opened the Debate on Feb. 29 in a speech devoted to condemnation of the Government's fiscal policy and to several other matters. He declared that "economic group government, so called, is a failure and until human nature changes will continue to be;" that too great a departure had been made from government by the Legislature, and he gave several illustrations in support of his contention. Referring to financial matters, Mr. Howson drew the attention of the House to the size of the Public Debt and to the amount outstanding in guarantees. He criticized the Government for their policy of presenting Estimates containing new taxation when Bills proposing such legislation had not been presented for the consideration of the House. He stated that he did not believe that the Estimates should be passed until the Legislature had had time to give full consideration to the proposed taxation measures; and expressed the hope that the Government would not wait for two years to make a complete survey of the field of taxation. After dealing with the several financial enterprises in which the Government were involved and criticizing the policy of using large sums of public moneys for these purposes without adequate security or control, Mr. Howson concluded his speech by moving an Amendment, which was seconded by L. A. Giroux (Lib., Grouard), to the effect that "This Assembly

doth advise His Majesty's Government to reconsider the Estimates and reduce the same and effect greater economies in the cost of Government before any new taxation is considered." The Debate having continued the Prime Minister raised a point of order and asked the Speaker's ruling as to whether the Amendment was in order, upon which a debate followed on the point of order, participated in by F. J. White (Labour Leader) and Hon. O. L. McPherson (Minister of Public Works). The Speaker quoted authorities and gave his ruling that the proposed Amendment being substantially the same as the one upon which the Assembly had already expressed judgment, (the Amendment moved by Mr. Howson on Feb. 8, to the Motion to Address a Reply to the Speech from the Throne) it was, therefore, ruled out of order. Mr. Giroux having appealed from that decision, a vote was taken and the Speaker's ruling maintained by 39 to 16. J. Russell Love (U.F.A., Wainwright), replying to Mr. Howson's attack, put up a vigorous defence of the Government's fiscal policy, quoting figures at each step to substantiate his statements. Mr. Duggan (Conservative Leader) resumed the Debate on Mar. 1. He dealt principally with the proposed taxation measures and concluded his address by moving an Amendment to the Motion, which was seconded by Mr. Farthing (Con., Calgary), that a Committee, representative of all sections of the Assembly, be appointed with instructions to investigate the whole subject of Provincial financing with a view to balancing the Budget without the necessity of increasing the taxation. This was defeated by 40 to 19. F. S. Grisdale (U.F.A., Olds) was the last to speak before the vote was put to the Motion of the Provincial Treasurer that the Assembly resolve itself into Committee of Supply, which was carried.

Estimates for the fiscal year ending Mar. 31, 1933, were ratified in their total on Mar. 26, 1932.

Legislation of the 1932 Session; and Incidents. Prorogation of the Second Session of the Seventh Legislative Assembly took place on Apr. 5, after lasting for two months. It was a Session replete with unusual occurrences and burdened with an exceptionally heavy *agenda.* Important legislation—75 Bills in all—were enacted and a very large number of Resolutions received approval. Debates were numerous—the ones on the Income Tax and the Turner Valley measure standing out in importance after those on the Address-in-Reply to the Speech from the Throne and the Budget, the first notable for the unusually large number of Members taking part in it and the second, for its abrupt and unexpected termination after only six Members had spoken.

One of the most important Acts of the Session was the Turner Valley Gas Conservation Act which provided for the appointment of a Board consisting of not more than three persons with full powers to carry out certain detailed schemes for the conservation of gas in the Turner Valley within a certain area. Some of these were as follows: the unified operation of the wells by means of pooling or otherwise; prescription of the daily rate of production from the wells to an amount not exceeding 200,000,000 cubic ft. per day; the determination of the closed-in pressures and the absolute and relative productive capacity of the gas and naphtha of each well; and the imposition of a levy of two cents per 1,000 ft. in all gas sold to any public utility for the purpose of creating a compensation fund. General approval of the Bill was voiced by spokesmen for the City of Calgary, the Canadian Western Natural Gas, Light, Heat and Power Company, the Imperial Oil Company and subsidiaries, and a group of 13 independent oil companies represented by Herbert Greenfield, former Prime Minister of Alberta.

The first Act to receive formal Assent during the Session was the Loan Act passed on Feb. 24, which authorized the Government to borrow for not more than 15 years the sum of $5,000,000: $3,650,000 for the Public Service and $1,350,000 for Provincial Telephones. A few days later the issue: 6 per cent. Sinking Fund Debentures (non-callable), to yield at 95.25 an accrued interest of 6.50 per cent., was placed upon the market when it was immediately over-subscribed by $15,000,000.

Acts passed relative to taxation included: an Income Tax Act which made certain exemptions for single persons and dependants, and from which the Province expected to receive $1,374,000 in the ensuing fiscal year; the imposition of a five-cent tax per gallon on all fuel oil, consumption of which, however, for certain specific purposes other than the operation of motor vehicles, was to receive a refund of four cents per gallon; the licensing of all wholesale and retail dealers in fuel oil: the licence for each station or store to be $2.00; a revision of the old Succession Duties Act, whereby the exemptions on property passing to immediate relatives resident in Alberta were increased from $10,000 to $15,000 and some slight increases made in the scale of duties; a new and higher schedule of rates for the Amusement tax and the inclusion of cabarets and dance halls in the definition of "places of amusement"; higher taxes on corporations such as banks, gas, loan, investment and trust companies, companies supplying electricity and financial corporations other than banks; and an increase for the years 1932 and 1933 of taxes payable under the Corporations Tax Act by express, grain, insurance and telegraph companies.

Two important Acts, similar to those passed in other Legislatures of the Western Provinces, ratified the agreement between the Province and the Banks with respect to the wheat guarantees made to the Canadian Co-operative Wheat Producers Limited and the agreement between the Wheat Pool and Pool Elevators, Limited, and the Government concerning the security for the guarantees given by the Banks for the settlement of the indebtedness to the Government of $5,649,000.

Bills regarding the policing of the Province occasioned considerable debate, but as finally enacted, approved the agreement made between the Dominion and Provincial Governments whereby the Royal Canadian Mounted Police would assume this duty on Apr. 1, 1932, and provided for the distribution of surplus moneys, amounting to about $220,000, from the Alberta Provincial Police Pension Fund.

The Appropriation Act provided for the application out of the General Revenue Fund of certain sums toward defraying the expenses of the Public Service for the three years from Apr. 1, 1930, to Mar. 31, 1933, the sum for the last year not to exceed in the whole $23,033,572.

A change was made in the Legislative Assembly Act providing that a member of the Legislative Assembly should not be required to seek re-election before accepting or holding the office of Minister. It was announced later (Apr. 6) by the Prime Minister that a re-arrangement of the Cabinet would take place in the near future.

The Amendment to the Debt Adjustment Act 1931, extended the scope of the term 'resident'; provided for the inclusion of retail merchants and defined further the duties of those concerned in the administration of the Act.

Other measures enacted were Amendments to the following Acts: the Oil and Gas Wells Act, providing for the compulsory sale of fuel oil where produced for cash at the prescribed price; the Alberta Insurance Act, disallowing the insurance against loss of any property in any company not licensed under the Act and permitting a partial payment or loss clause in a policy; the Old Age Pensions Act, whereby the Dominion Government would pay 75 per cent. instead of 50 per cent. of the cost of old age pensions, a saving to the Province of about $250,000; the Workmen's Compensation Act providing for the vocational training, where desired, of permanently disabled workmen, giving the rate of compensation in force from Apr. 1, 1932 and adding restaurants and retail shops to the schedule; the Irrigation Districts Act, extending the time for redemption of land; the Savings Certificates Act, providing for the issue of term certificates; the Judicature Act, giving the Court definite power to stay execution of judgment in any action. The Creditors Relief Act, Child Welfare Act, Juvenile Courts Act, Municipal Districts Act, Improvements Districts Act, Village Act, Local Tax Arrears Consolidation

Act, Town Act, Municipal Hospitals Act, Temporary Seed Grain Advances Act of 1931 and the School Act were also amended.

A Resolution, moved by H. W. Allen (U.F.A., Grande Prairie), and unanimously adopted by the Legislature on Mar. 29, was in effect that the Provincial Government should investigate the possibility of interesting the Dominion Government in setting up a fund to lend money to settlers on security of their land instead of issuing direct relief.

A Resolution, moved by Mr. Brownlee (Prime Minister), seconded by Mr. Lymburn (Attorney-General) and passed on Apr. 5, was to the effect that, with respect to the petition presented to the Assembly during the 1931 Session for an Act amending The Government Liquor Control Act, it was of the opinion that the Amendment should not be made until a plebiscite had been submitted to the electors and that the Assembly was further of the opinion that such a plebiscite should be deferred until the financial position of the Province had improved, and it recommended that the Government should bring down at the next Session their recommendations with respect to the question or questions to be voted upon.

The Prime Minister moved a resolution which was seconded by Mr. Hoadley (Minister of Agriculture) and unanimously carried on Apr. 6, that the Alberta Government should urge upon the Dominion Government the desirability of appointing a Special Royal Commission to investigate and bring to the attention of the people of Canada the present condition of Agriculture in Western Canada, particularly with respect to the ability of those engaged in that industry to work out their financial liabilities, in view of crop conditions and prices prevailing during the past three years, and to make suggestions and recommendations with respect thereto; and that failing the appointment of such a Commission by the Dominion Government the Governments of the other Prairie Provinces should be asked to join in the appointment of such a Commission.

The use by the Dominion Government of a direct issue of credit to finance relief of unemployment was approved in a Resolution adopted in the Legislature on Apr. 5 by a vote of 38 to 13. The Motion as finally adopted, was the result of an Amendment by W. H. Shield (U.F.A., Macleod) to the original Resolution moved by Donald MacLeod (U.F.A., Stony Plain) which was to the effect that the Dominion be requested to amend the Finance Act.

Unanimous approval was given in the Legislature on Mar. 24, to a Resolution, moved by Christopher Pattinson (Lab., Edson), that the Government request the Dominion Government to convene, as soon as possible, a conference of the executive heads of the two trans-continental railways, with representatives of the industry and of the Provincial Government, to endeavour, by reduced railway rates and other means, to develop a national fuel policy. J. J. MacLellan (U.F.A., Taber), elected to the Legislature during the 1930 General Election, in seconding the Motion, made his maiden Speech which was warmly applauded from all sides of the House.

The Legislature gave unanimous approval on Mar. 10 to an amended Resolution moved by D. M. Duggan (Conservative Leader) that it was in the interest of the Province that Members of the Legislature should receive periodical statements showing the financial position of the Province and that each Member should receive from the Provincial Auditor within forty-five days of June 30 and Sept. 30 an analysis of Receipts and Expenditures on both Income and Capital Accounts.

Adoption of a national scheme of Unemployment Insurance was urged upon the Dominion Government in a Resolution moved on Mar. 8 by A. Smeaton (Lab. Lethbridge) and passed unanimously. Another unanimous Resolution was that moved by Christopher Pattinson (Lab., Edson) on Mar. 3 calling for an investigation into state medical and health services.

The demand for an investigation of the entire system of public financing by the Agricultural Committee of the Legislature was the substance of a

Resolution moved on Mar. 3 by Donald MacLeod (U.F.A., Stony Plain) and adopted by the House with no opposition.

A Motion was passed on Feb. 19 with little discussion requesting that the Committee on Agriculture be called to inquire into matters relating to the existing condition of agriculture with a view to suggesting means of stabilizing the industry. The Motion was divided under five heads: the organization, administration and revisal of the Debt Adjustment Act; the marketing of live stock and dairy production and other problems; the operation and reorganization of co-operative credit societies and the report of the Superintendent of Co-operative Credits; the Report of the Provincial Auditor with reference to guarantees given under the Co-operative Marketing Associations Guarantee Act; and the desirability of amending the terms under which hail insurance was written in the Province.

At a Meeting of all Parties of the Provincial Legislature before the Session closed it was decided that a sum, from $10,000 to $15,000 a year, should be advanced to the Canteen Fund trustees by the Alberta Government in order to meet legitimate demands. The Government would take over the investment of the Fund as security for such advances.

Approval of the expropriation of gas from Alberta was given to the Legislature in dealing with a Resolution proposed by J. Russell Love (U.F.A., Wainwright) on Apr. 5. The House approved of the sale of this product from fields in reserve or unnecessary for use within Alberta. Permission to export would be granted by any Member of the Executive Council upon being duly empowered.

A Resolution which finally met overwhelming defeat by a vote of 47 to 9 was that moved by Hugh C. Farthing (Con., Calgary), advocating that a Special Committee of the House be named to consider amendments to the Legislative Assembly Act designed to effect the reduction in the number of Members to 45; representation by population; and one system of election in all constituencies. With the exception of two Independent Members, the only support received by the Motion was from the Conservative Party. F.C. Moyer (Ind., Drumheller) suggested the appointment of a Commission to study the question and commented on the fact that while the agricultural industry was represented by 38 Members, the coal-mining industry, the second largest in the Province, had only three Members. The general opinion was expressed outside the Conservative Party, however, that the time for such a measure was not opportune.

The cessation of further disbursements from the principal of the Wheat Board Trust Fund and the payment of interest, less expenses of operation each year to the University of Alberta to provide scholarships in agriculture, was the substance of a Resolution moved by the Liberal House Leader, George H. Webster, on Mar. 4, and rejected by the House without division after a lively debate.

Hon. J. E. Brownlee (Prime Minister) announced in the Legislature on Mar. 31 that all danger of loss to the Province over the Wheat Pool guarantees, totalling $5,536,707, would be removed in three or four years, providing that operations of the Pool continued as successful as during the "present crop season." Referring to operations on the open market during 1932 the Prime Minister stated that the Alberta Wheat Pool marketings had passed the 35,000,000 bushel mark and the record handlings in the history of the Alberta Co-operative was 37,000,000 bushels.

Mr. Brownlee announced during the course of a debate on a Resolution to extend the homestead policy of the Province introduced on Feb. 23 by L. A. Giroux (Lib., Grouard), that the Government had a committee in progress of formation which would study the whole leasehold question, so that the people of Alberta would have complete information before any change was made in the land policy. The Resolution was defeated (by 41 to 12) as was also the Labour Amendment favouring leaseholds.

The Motion to establish a system of nationalization of land, to endow the Province with the same rights in regard to finance as banks and other matters of a social nature, introduced by F. J. White (Labour Leader) was defeated on Feb. 26 by the Legislature after three divisions were called.

In the Annual Report of the Provincial Secretary's Department, tabled in the Legislature during the 1932 Session it was shown that the net revenue from the Gasoline Tax in 1931 was $1,409,461, while in 1930 it totalled $1,879,421. Revenue in 1931 was derived from a gas consumption of 44,114,888 gallons as against 50,744,660 gallons in 1930.

Immediately after Prorogation of the Legislative Assembly, G. H. Webster, Liberal House Leader, was the recipient of a written testimonial from his colleagues of the Legislature, expressing the appreciation of the Party of his leadership during the Session.

According to the Report issued in March by Alexander Ross, Chairman of the Workmen's Compensation Board, appointed by the Government to make an investigation of funeral costs in the Province, there were too many undertaking-parlours charging exorbitant prices on account of high-priced equipment and over-head expenses. In the year 1929, the year on which the Report was based, there were 6,315 deaths in the Province and only 4,933 funerals were provided by undertakers. "It would appear, therefore, that 1,382 persons were buried without the assistance of funeral directors, in caskets presumably made locally."

Hon. R. G. Reid, Provincial Treasurer and Minister of Lands and Mines, announced on Apr. 13, 1932, the amalgamation of the Forestry and Timber Branches of the Department of Lands and Mines, and the re-arrangement of staffs thereof with a view to strengthening administration and effecting economies estimated at $40,000 a year.

Unemployment Relief. The Unemployment Relief Act, which was assented to on Apr. 6, during the 1932 Session, ratified the agreement made Sept. 9, 1931, between the Dominion Government and the Government of Alberta, whereby the former agreed to contribute to the direct relief of municipalities such proportion of the expenditures, the same amount to be paid by the Province, as might be agreed upon between the Province and the Dominion, and to contribute 60 per cent. of the cost of all public works and undertakings carried on by the Province to supply work for the unemployed, and 50 per cent. of the amount expended on Provincial highways.

Expenditure on unemployment relief for the fiscal year ended Mar. 31, 1932, was as follows: Province's share, $2,426,313; Municipalities' share, $1,302,475; and Dominion contribution, $2,625,515; a total of $6,354,303, compared with the total of the previous year of $2,578,741 divided as follows: Province's share, $1,274,233; Municipalities' share, $617,906; and Dominion contribution, $686,602. Ministers of the Provincial Government attended a number of conferences called by the Federal Government, conferences of representatives of western Governments and Municipalities and discussed with representatives of Alberta Municipalities general policies with respect to unemployment relief.

Agriculture: Production and Organizations

According to a preliminary statement issued by the Department of Agriculture (Minister: Hon. George Hoadley), the total value of Alberta's agricultural production for the year 1931 was $147,854,108, the total value of the field crops being $97,114,000. The total acreage under cultivation was 17,413,981 acres, divided as follows: grain, root and fodder crops, 13,513, 981; summer fallow, 3,500,000 and land broken during the year 400,000.

The following table issued by the Department shows the yield and value of the chief crops:

	Yield bush.	Value $		Yield cwt.	Value $
All Wheat	136,000,000	48,960,000	Potatoes	2,776,000	1,166,000
Oats	90,500,000	16,290,000	Turnips, Mangolds, etc.	403,000	121,000
Barley	20,800,000	4,368,000		tons	
Rye	1,100,000	242,000	Sugar Beets	105,000	683,000
Flax	200,000	144,000	Green Feed	3,500,000	21,000,000
Mixed Grains	595,000	113,000	Hay and Clover	394,000	2,955,000
Peas	20,000	30,000	Alfalfa	73,000	730,000
Beans	4,400	5,000	Fodder Corn	25,000	100,000
Alfalfa seed	6,250	75,000	Sunflowers	88,000	132,000

Total dairy production for 1931 was valued at $15,934,509, with creamery butter at $4,711,232; cheese, $118,277; and other dairy products, $11,105,000. The value of honey production for the year was given as $91,500; wool, $157,500; poultry products, $8,000,000; game and furs, $1,023,600; animals slaughtered and sold, $25,533,000; a total of $34,805,600. Revenue from game for the year ended June, 1931, was reported as $1,118,027. The Province won 43 prizes at the Chicago International Hay and Grain Show as well as the International Wheat Championships for the fifth time, Herman Trelle of Wembly securing the Chicago Board of Trade Trophy for winning this championship three times. Prize winnings at the Royal Winter Fair, Toronto, totalled 295, a new record for the Province.

United Farmers of Alberta. The Twenty-Fourth Annual Convention of the United Farmers of Alberta was held in Edmonton, Jan. 19-22, 1932. The membership of the Association, totalling 14,486 at Dec. 31, 1931, and including the United Farm Women's Association and the Junior Branch, showed a decrease over the previous year of 3,437. In his Presidential Address, Robert Gardiner, M.P., condemned the existing methods of dealing with the economic crisis, decrying that "the only remedy for the present evil of under-consumption prescribed by those who control the system, is to curtail consumption still further by what is erroneously described as 'economy' . . . To reduce the power of the people to purchase the goods they need, when these goods can be produced in abundance, is not economy, yet the further reduction of the community's income is the only remedy prescribed by those who are concerned to retain the present economic system intact." He emphasized the responsibility which devolved on the farmers of Alberta to bear their share in directing the processes of inevitable social change by understanding them and organizing to control them. The Provincial Prime Minister, Hon. J. E. Brownlee, in an address before the Meeting, briefly reviewed economic conditions in the Province and declared his opposition to a general moratorium of debts which would put every farmer on a straight cash basis with no credit whatsoever. He recommended instead the extension of the Debt Adjustment Act.

The financial statement showed a deficit of $5,324. Total receipts were $15,007, of which $8,163 was the sum of dues paid and $3,500 the grant from the United Grain Growers Limited. The total expenditure was $20,331, divided as follows: Organization, $8,312; Central Office, $8,675; General, $2,913 and Committees, $431. Among the important resolutions passed at the Convention were those asking the Dominion Government for compensation to the extent of at least one dollar per acre seeded for all grain growers; urging revision of the Criminal Code adopted in 1919 with regard to freedom of speech and assembly; demanding a steeply graduated income tax to provide additional revenue for the Government; protesting against increase in tariff on fuel and lubricating oils; asking reduction of domestic freight rates on grain and of telephone rates; urging nationalization of the monetary system; favouring public ownership of land, of radio broadcasting, and of power development, urging, at the same time, prevention of the further development of the Kananaskis project; asking for a graduated scale of automobile licence fees with a minimum of $5 additional revenue to be raised by gasoline tax,

and urging extension of the scope of the Debt Adjustment Act and the drastic reduction of debts and cancellation of interest until prices of farm products should meet the cost of production. Most stress was laid on the need for the reduction of the tariff, with a view to the elimination of "this barbaric economic superstition from the fiscal policy of our country" within five years. The following officers of the United Farmers of Alberta were elected for the year 1932: President, Robert Gardiner, M.P.; Vice-President, Norman F. Priestly; and Executive: Robert Gardiner, M.P., Excel; Norman F. Priestly, Calgary; J. K. Sutherland, Hanna; H. B. MacLeod, High River; George E. Church, Balzac; Mrs. A. H. Warr, Waskatenau (*ex-officio*), and Secretary-Treasurer, Miss F. Bateman, Calgary. The Executive of the United Farm Women of Alberta was re-elected as follows: President, Mrs. A. H. Warr, Waskatenau; 1st Vice-President, Mrs. R. Price, Stettler, and 2nd Vice-President, Mrs. P. C. Hepburn, Elnora.

The Alberta Wheat Pool. Following rumours which circulated freely early in July, 1931, to the effect that disaster was threatening the Alberta Wheat Pool, an announcement was made on July 20 that Pool members would be permitted to sell their 1931 and 1932 crops on the open market with the option of delivering to the Pool and accepting the prevailing initial payment, this policy to be effective from July 16. Definite assurance was given that no deductions for elevator reserve, commercial reserve, or for re-payment to apply on the 1929 over-payment, would be taken from the proceeds of any wheat delivered by Pool members for pooling or for immediate sale during the 1931 crop year. It was stated that satisfactory arrangements had been agreed to with the Government of Alberta for the re-payment over a period of years of the 1929 over-payment, making it possible for the Alberta Pool to carry on without taking deductions for this purpose from the 1931 crop.

On Aug. 27 it was officially stated by the Pool officials that the Central Selling Agency would not be used as such for the marketing of the 1931 wheat crop, and that Alberta grain sales would be handled by a commission and sales department, functioning as an integral part of the Alberta Wheat Pool under the General Managership of R. D. Purdy, General Manager of the Wheat Pool, and operating a seat on the Winnipeg Grain Exchange for selling and hedging purposes. The Central Selling Agency was to continue to function under the managership of John I. McFarland until the 1930 crop had been disposed of.

The Ninth Annual Meeting of the Alberta Wheat Pool was held, Nov. 24-29, 1931, and was attended by 70 delegates representing the 42,000 members of the organization. The Report of the Board of Directors stated that the initial payment on wheat delivered to the 1931-32 Pool had been originally set at 30 cents per bushel, basis "One Northern" Vancouver, but as the result of subsequent negotiations between representatives of the Provincial Governments, the leading Banks and the Prime Minister of Canada, when assurance was given that the Dominion Government would take what action might be necessary to prevent the utter demoralization of the wheat market in Canada, it was decided that an increase in this payment to 35 cents per bushel would be safe. This amount, together with the bonus of 5 cents per bushel which was being paid by the Dominion Government on wheat delivered from the 1931 crop, brought the amount immediately available to growers who were delivering to the current Pool, to 40 cents per bushel basis "One Northern" Vancouver. During the fiscal year ended July 15, 1931, 36,152,523 bushels of all grains were handled by the country elevators.

As a result of the plebiscite taken on the question of a 100 per cent. compulsory Pool it was stated that out of 7,429 votes cast, 4,238 ballots were against and 3,191 were in favour, giving a majority of 1,047 votes in opposition to a 100 per cent. Pool by legislation.

The Pool's Balance Sheet as at July 15, 1931, showed that the operations of the Pool had resulted in a balance amounting to $24,818, which was carried

forward as a special reserve. The net operating earnings from the elevator system amounted to $1,459,439 for the fiscal year ended July 15, 1931, while net earnings were $414,466 after allowing for 6 per cent. interest on capital investment and full depreciation on elevator properties. This sum was also carried forward as a special reserve.

A resolution was passed urging the Dominion Government to alter the five-cent bonus on wheat to the extent of recompensing all grain growers to a minimum of at least $1.00 an acre seeded. It was also resolved to submit a referendum, containing alternative proposals for pooling or marketing wheat, with a view to determining the future programme of the organization, to the members of the Pool in the Spring of 1932. (On June 27, 1932, it was announced that it had been considered advisable to postpone the holding of the plebiscite and that the Pool would continue to operate under the plan of pooling with initial payments and with the option of selling on the open market whenever the owner desired). H. W. Wood, Carstairs, was re-elected Chairman of the Wheat Pool; and Lew Hutchinson, Duhamel, Vice-Chairman and Chairman of the Central Board. The following were Directors: C. Jensen, Magrath; Ben S. Plumer, Bassano; R. A. Macpherson, Delia; J. Jesse Strang, Claresholm; and George Bennett, Mannville.

Alberta's share in the liability of the three Provinces amounting to $22,-217,302 on account of Wheat Pool guarantees, was $5,536,707 according to an announcement made by the Prime Minister, Hon. J. E. Brownlee, on Dec. 3, 1931. These figures were based on an auditor's report covering the accounts between the Canadian Co-operative Wheat Producers, Limited, and the Banks. A settlement had been arranged with the Banks whereby the latter agreed to receive from the Province twenty-year Provincial bonds bearing interest at 4½ per cent. In a previous statement, Mr. Brownlee had declared that the Province held as security Pool assets in excess of $8,000,000. (See "Budget Speech" in this Section for further figures).

Annual Reports of Departments: Lands and Mines

The Department of Lands and Mines (Minister, Hon. R. G. Reid), established to administer the Provincial Natural Resources which had been handed over by the Dominion on Oct. 1, 1930, published its First Annual Report for the six months Oct. 1, 1930, to Mar. 31, 1931. The oil production for that period amounted to 948,999 barrels, an increase over the preceding six months of 283,796 barrels. On the transfer of the Natural Resources from the Dominion to the Provincial Government there were 17,219 petroleum and natural gas leases in force in Alberta, comprising an area of 2,263,076 acres. The total collected from rentals, fees and royalties covering petroleum and natural gas for the period under review was $198,339. The question which involved the adoption of conservation methods to prevent as much as possible the wastage of natural gas came forcibly to the front during the period under review and committees were formed with a view to deciding on the measures to be taken.

The total coal production for the year 1931 was 4,563,290 tons, valued at $13,415,745, a drop of more than 1,200,000 tons from 1930, and a considerable reduction from the peak year when more than 7,000,000 tons were produced. There were 316 coal mines operating during the year, only 271 of which were in operation at the end of December. Of the coal production, 2,246,544 tons were domestic coal; 1,846,357 were bituminous, and 471,389 were sub-bituminous. During the year 14,123 tons of briquettes were manufactured and 981 tons of coal were mined by farmers themselves. A total of 1,020,694 tons were sold in the Province; 1,547,081 tons to other Provinces; 30,434 to the United States; and 1,668,451 to railroad companies; the balance was used by collieries and disposed of in other ways. Some 23,855 tons of shale and clay were mined during the year, and a total of 7,091,000 bricks and 2,825 tons of tile manufactured.

The serious effect of the economic situation on lumbering operations, aggravated by the importation of coast fir of a lower grade than the Alberta

product, was reflected in the total cut which for the six months was 14,378,663 ft. b.m. of lumber from licensed timber berths, in addition to 554,982 laths, 48,809 railway ties, and 51,261 lineal feet of mining timber. Under permit there were manufactured 7,592,495 ft. b.m. of lumber, 190,000 laths, 354,012 railway ties, besides other various materials. The total area at Mar. 31, 1931, covered by timber berths under licence and permit was 1,361.23 square miles. The total cash receipts under timber and grazing for the period under review were $127,654. The Fisheries Department reported the total amount of fish taken on commercial fishing during the period as 1,851,848 lb., with a value to fishermen of $70,624 and the value as marketed, $94,032. The total number of licences issued aggregated 930, while the estimated amount of all classes of fish taken during the period was 1,130,000 and by anglers, 1,225,000.

The Report of the Secretary of the Department (E. M. Gunderson) announced the total cash from all sources received during the six months as $713,921, of which amount $574,731 was credited to income account, against which refunds of $1,765 were made, leaving a net amount credited to income of $572,966. There was a surplus of $384,769 as the result of the first six months' operations of the Department. The cash receipts from branches was divided as follows: Land Patents, $54,136; Timber and Grazing Lands, $127,654; Mining Lands, $376,406; School Lands, $113,749; Seed Grain, Fodder and Relief, $1,455; Forestry, $29,965; Fisheries, $4,829; total Cash Receipts allocated, $708,195; and Unapplied Receipts, $5,727. (For measures enacted during the 1932 Session see "Legislation" elsewhere in this Section).

Education. The Report of the Department of Education for the year 1931 stated that 41 new school districts had been organized during the year. Out of the 3,558 school districts in existence, 3,346 were operating 5,624 rooms, with an enrolment of 168,730. The percentage of school attendance was 89.99. Elementary grade pupils numbered 144,464, 49 per cent. of which were girls. The percentage of the total enrolment in secondary grades was 14.38. The average cost per pupil per day in all schools was 41 3/10 cents. In 1931 a new policy in regard to examinations was introduced: Departmental examinations in Grades VIII. and IX. were discontinued. The average salaries of teachers for the year were: first class, male, $1,689; female, $1,256; second class, male, $1,176; female, $1,097; third class, male, $979; female, $971; special male, $2,431; and special female, $2,011. The total of debenture indebtedness was $12,637,146 and the total Insurance on property was $21,232,800. It was announced that the Normal School fee had been raised to $50.00 *per annum*, and that the policy of giving loans to Normal students had been discontinued. (For measures enacted during the 1932 Session see "Legislation" elsewhere in this Section).

The University of Alberta, Edmonton, reported an enrolment of 1,938 students for the session 1931-32. G. M. Smith, M.C., B.A.(TOR.), M.A.(OXON.), was appointed Professor and Head of the Department of History. It was announced that a grant of $10,000 per year for three years had been received from the Carnegie Corporation of New York to assist in the development of dramatic productions and appreciation of art and music under the direction of the Extension Department of the University. At the Annual Convocation held on May 13, 1932, the Honorary Degree of LL.D. was conferred upon Hon. William Legh Walsh, Lieutenant-Governor of Alberta.

Public Works and Highways; Other Departmental Reports. During the fiscal year ended Mar. 31, 1931, Alberta expended $939,683 on the maintenance and $1,901,876 on the construction of 365 miles of main highways, bringing the total up to 1,186 miles, according to the Report of the Department of Public Works (Minister: Hon. O. L. McPherson) tabled in the Legislature during the 1932 Session. The cost of the construction and maintenance of district and local roads totalled $1,159,874. The number of bridges constructed was 529 of which 36 were steel, and maintenance work was done on 131, making the total number of bridges dealt with, 600. Capital expenditure for the construction of new buildings and additions to buildings totalled

$1,923,758, while maintenance expenditure amounted to $782,130. During the same period the number of prisoners admitted to the Provincial Gaols was 3,349 and the number discharged, 3,123.

The Deputy Provincial Secretary reported 95,601 registrations for motor vehicles for the year 1931, divided as follows: passenger, 78,782; truck, 15,034; motor cycle, 383; livery, 443; and dealers, 959.

The Annual Report of the Department of Public Health (Minister: Hon. George Hoadley) for the calendar year 1930 showed the number of cases of communicable diseases reported to the Province to be as follows: Anterior Poliomyelitis, 150; Cerebro-spinal Meningitis, 28; Chickenpox, 1,826; Diphtheria, 269; Encephalitis Lethargica, 4; Erysipelas, 69; German Measles, 42; Measles, 282; Mumps, 1,302; Scarlet Fever, 1,028; Smallpox, 81; Tuberculosis (Pulmonary), 136; Typhoid Fever, 69; Whooping Cough, 1,246. The total number of deaths resulting from these cases was 1,246. The Provincial Travelling Clinic reported 28 centres visited, comprising 332 school districts. At Dec. 31, 1930, there were 90 approved hospitals in the Province, which, including the Central Alberta Sanatorium, had a total bed capacity of 4,043 or 6.1 beds per thousand population; 66,515 patients received 882,887 days' treatment during the year. The total grants for 1930 to hospitals and homes were $439,571. (For measures enacted during the 1932 Session see "Legislation" elsewhere in this Section).

The Vital Statistics Branch of the Department in its Annual Report for the calendar year 1930 gave living births as 7,649, a birth rate of 26.71 per 1,000 population, the highest in the Dominion with the exception of Quebec, and the largest number in the history of Alberta. Marriages numbered 5,334, a decrease of 670 over the previous year. The number of deaths totalled 5,496 (including Indians), 743 less than the previous year. Heart disease accounted for the greatest number of deaths, cancer came second and pneumonia, third. Deaths by suicide increased from 84 in 1929 to 113 in 1930.

The Annual Report of the Commissioner of Labour for the fiscal year ended Mar. 31, 1932, showed a further decline in business as regards statistics of trade and industries. Returns from 2,808 firms covered 40,030 employees over eighteen, 571 males under eighteen, 7,793 females over eighteen, 229 females under eighteen, and 509 apprentices. Total payments for wages and salaries were $63,786,135, of which sum $54,254,896 was paid to wage earners. A total of 4,638 inspections under the Factories Act was made of 4,386 factories, shops, hotels, offices and office buildings, in which were employed 21,107 males and 7,355 females. Recommendations relative to safety, sanitation, hours and wages, and the employment of children, to the number of 1,102 were made, all of which were carried out by employers. There were 515 inspections made of 491 elevators, in connection with which 413 safety recommendations were made.

Returns of Inspectors under The Minimum Wage Act showed decreases in female employment under all Orders except that governing amusement trades and beauty parlours. A total of 3,687 inspections was made of 3,378 businesses, in which were employed 8,626 experienced females and 504 learners; 305 orders for adjustment of wages, 87 for adjustment of hours and 13 for adjustment of staff so that not more than 25 per cent. would be in receipt of apprentice wages, were made. Five Court cases were taken against employers for failing to pay minimum wages; four convictions were obtained and employers were ordered to pay back wages. Decision in the other case was pending.

The revenue for the fiscal year accruing from the Boiler Inspection Branch totalled $23,319, while the number of inspections made amounted to 4,457.

The Report of the Director of the Alberta Government Employment Offices stated that placements during the year were within .02 per cent. of those recorded during the previous year. Of the 50,084 vacancies filled, 44,974 were for males and 5,110 for females. There was a slight increase in the operating costs, the average cost per vacancy filled being 78.89 cents as compared with 78.56 cents for the previous year.

According to the 14th Annual Report of the Workmen's Compensation Board for the year ended Dec. 31, 1931, the amount of revenue received totalled $1,131,923 while expenditure was $1,302,494, leaving a deficit of $170,571. The amount of assessment collected from employers was only $738,890, as compared with $1,139,587 in 1930, due to the decrease in payrolls during the year. Accidents totalling 10,049, of which 33 were fatal, as compared with 12,607 in the previous year, were reported. Revenue for 1931 on account of Accident Fund aggregated $800,396 against an expenditure of $939,027. (For measures enacted during the 1932 Session see "Legislation" elsewhere in this Section).

The Old Age Pensions Department, administered by the Workmen's Compensation Board, reported that 1,520 pensions were granted during the calendar year 1931 to applicants who qualified in Alberta, while 281 authorizations toward payment of a portion of a pension were issued to other Provinces. A total of 1,642 applications were received. At Dec. 31, 1931, 4,146 pensioners were on the Alberta payroll and 830, to which sums Alberta contributed on those of other Provinces. The sum of $883,564 was paid in pensions during the year.

For the year ended Mar. 31, 1931, the Liquor Control Board reported a net profit of $1,738,954 as compared with $2,410,886 the previous year. Gross sales amounted to $4,678,109 while gross profits totalled $1,809,554. Operating expenses of liquor stores were $468,023, leaving a profit on operation of the stores of $1,341,531. Licence fees yielded $109,503 and beer taxes, $440,184. Permits issued during the calendar year 1930 totalled 220,270, as compared with 259,393 issued in 1929, and realized $165,600. Taxes in excess of $2,087,000 were paid to the Dominion Government by the Board and Brewers of Alberta during the year.

The Report of the Superintendent of Insurance and Fire Commissioner stated that 315 company licences (inclusive of 19 fraternal societies and 29 companies writing life insurance only) had been issued in 1931. Certificates of authority issued to agents numbered 4,328. Fire Insurance reported a net premium of $4,151,237 and a net loss of $2,557,771; automobile insurance, net premium $818,402, net loss, $576,972; and Hail Insurance, net premium, $263,156 and net loss, $356,958. (For measures relating to Insurance enacted during the 1932 Session, see "Legislation" elsewhere in this Section).

During the year 1931 the number of fires in the Province totalled 2,607, involving destruction of property valued at $3,131,729, and the loss of 26 lives.

According to the 18th Annual Report of the Hail Insurance Board of Alberta (Manager: A. H. Tovell) for the year ended Jan. 31, 1932, there were only 709 claims compared to 3,650 in the previous year; applications covering 293,048 acres, one-quarter of that usually covered, numbered 2,114. The decline in business was believed to have been caused mainly by the low price obtained for grain in 1930 and the absence of any prospect of improvement for 1931 and also by the high insurance rates necessitated by the severe losses in the preceding four years. In spite of the decrease in business, sufficient money was collected to reduce the liability of the Board to the bank by $100,000 in addition to meeting all expenses.

Municipal Affairs. Collections by the Department of Municipal Affairs from all sources for the fiscal year ended Mar. 31, 1931, totalled $1,831,903. It was reported that only six out of 166 municipalities had a bonded debt and the total outstanding as at Dec. 31, 1930, amounted to only $22,100. Statistics of towns showed a net surplus of Assets over Liabilities of $7,257,546 and of villages, a net surplus of $885,266. (For measures enacted during the 1932 Session see "Legislation" elsewhere in this Section).

At the Twenty-eighth Annual Convention of the Union of Alberta Municipalities, held on June 22-3, 1932, resolutions were passed urging the Provincial Government to allow, "as an offset, the amount of Supplementary Revenue Tax, payable by property owners against the Income Tax payable by them respectively to the Provincial Government" and to appoint a tax commission to report within twelve months, on the question of the incidence of taxation

in all its aspects, with a view to adjusting existing inequalities. The following officers were elected for the ensuing year: President, J. Bullivant, Medicine Hat; 1st Vice-President, F. H. Tucker, Castor; 2nd Vice-President, J. A. Code, Camrose; and Secretary-Treasurer, J. E. Fraser, Wetaskiwin.

The Province of Alberta

(As at June 30th, 1932)

Lieutenant-Governor ..... Hon. William L. Walsh, K.C., LL.D.

The Brownlee Ministry (U.F.A.)

Prime Minister, President of the Council and Provincial Secretary.. Hon. J. E. Brownlee
Provincial Treasurer, Minister of Municipal Affairs and Minister of Lands and Mines ..... Hon. R. G. Reid
Attorney-General ..... Hon. J. F. Lymburn
Minister of Agriculture and Minister of Health ..... Hon. George Hoadley
Minister of Public Works ..... Hon. O. L. McPherson
Minister of Education ..... Hon. P. E. Baker
Minister of Railways and Telephones ..... Hon. V. W. Smith*
Minister without Portfolio ..... Hon. Mrs. Irene Parlby

Speaker of the Legislative Assembly ..... Hon. George N. Johnston

Heads of the Administrative Services

Deputy Provincial Treasurer ..... J. F. Percival
Deputy Attorney-General ..... George B. Henwood
Deputy Minister of Agriculture ..... H. A. Craig
Deputy Minister of Public Works ..... J. D. Robertson
Deputy Minister of Education ..... Dr. John T. Ross
Deputy Minister of Health ..... Malcolm R. Bow, M.D.
Deputy Minister of Telephones ..... J. D. Baker
Deputy Minister of Municipal Affairs ..... Robert English
Deputy Minister of Lands and Mines ..... John Harvie
Deputy Provincial Secretary ..... E. Trowbridge
Provincial Auditor ..... J. C. Thompson
Clerk of Legislative Assembly ..... R. A. Andison
Clerk of Executive Council and Law Clerk ..... J. D. Hunt
Legislative Counsel ..... R. A. Smith
Civil Service Commissioner ..... F. Smailes
Publicity Commissioner and Acting Provincial Librarian ..... Colin G. Groff
King's Printer ..... W. D. McLean
Director of Fisheries ..... R. T. Rodd
Director of Forestry ..... T. F. Blefgen
Director of Petroleum and Natural Gas ..... W. Calder
Director of Water Resources ..... L. C. Charlesworth
Superintendent of Child Welfare ..... K. C. McLeod
Superintendent of Insurance ..... W. Brace
Administrator of Estates of Mentally Incompetent and Official Guardian ..... T. Dickson
Chairman, Liquor Control Board ..... R. J. Dinning
Chairman, Board of Public Utility Commissioners ..... A. A. Carpenter
Chairman, Old Age Pensions Board and Workmen's Compensation Board ..... Alex. Ross
Chairman, Assessment Commission ..... W. D. Spence

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*NOTE.—Hon. Vernon Smith's sudden death occurred on July 19, 1932.

THE PROVINCE OF BRITISH COLUMBIA

Unemployment Relief; Other Provincial Affairs During 1931-32

Early in the Summer of 1931 it was realized that the unemployment situation in British Columbia would become a very serious one during the Autumn and Winter months and, in anticipation of the further co-operation of the Dominion Government in coping with conditions, a system of registration of all unemployed in the Province was put into effect by a recently appointed Committee of the Executive Council on Unemployment Relief, which consisted of Hon. W. A. McKenzie, Minister of Labour, Chairman; Hon. R. W. Bruhn, Minister of Public Works; Hon. S. L. Howe, Provincial Secretary; and Hon. J. W. Jones, Minister of Finance. The work of registration was conducted by the Employment Service of Canada in conjunction with Government Agents, Provincial Police, District Engineers and Municipal Relief Officers.

According to the agreement between the Province and the Dominion Government which was eventually signed on Aug. 19, 1931, the latter was to pay 50 per cent. of the labour and material costs for approved relief work undertakings within the Province and 50 per cent. of the cost of direct relief coming within Provincial territory, outside of cities and municipalities, and one-third of direct relief within municipalities. Agreements between the Provincial Government and the municipalities stipulated that the Provincial Government would bear the cost of 25 per cent. of the labour for these approved relief undertakings and one-third of the cost of direct relief. It was further arranged that the responsibility with respect to municipal unemployed would be that the municipalities would take care of their unemployed persons with dependants, and that municipal single men and transients would be the joint responsibility of the Provincial and Dominion Governments on a fifty-fifty basis.

By Aug. 31, 35,842 individuals had been registered, 20,000 of whom were a Provincial responsibility; registrations to Apr. 30, 1932, reached a total of 73,628. The congregation of unemployed men from other parts of Canada, attracted to the milder climate of British Columbia, added to the seriousness of the situation and demanded prompt attention. With the assistance of the Employment Service of Canada the transfer of 14,912 unemployed single and transient men from cities to the 237 camps erected and equipped was accomplished by the end of May, 1932. With regard to payment for relief work, the Provincial Government stated clearly that the schedule observed was not a wage but a subsistence allowance only. For unskilled labour the basic rate was $2 per day, which was graded to higher levels for the more skilled occupations, 85 cents

being deducted for board and accommodation. A standard week of six days at eight hours was set. Work had been given on this basis until November, 1931, when owing to increased registrations it was realized, in view of financial conditions, that it would be impossible to continue to provide relief-work for all the unemployed at the existing rates of remuneration. It was felt advisable, so far as the Provincial Government were concerned, that all applicants should be put on a system of direct relief and that a commensurate amount of work should be performed in return. The men in camps were provided with food, shelter, hospital and medical requirements, necessary clothing, and a cash allowance of $7.50 per month in return for which twenty days' work per month at six hours per day was required. The Province extended relief to needy unemployed outside of camps according to their individual merits and requirements, having regard to the number of dependants. Unemployed relief continued to be administered on this basis until the expiry of the Unemployment and Farm Relief Act on Apr. 30, 1932.

The highway programme of relief work was widely distributed throughout the Province and embraced many projects which, by their early completion, would go far to reimburse British Columbia for the outlay. The value of works created under "The Unemployment and Farm Relief Act, 1931," in British Columbia was $6,000,000, giving approximately 1,263,169 man-days' work. The amount paid in direct relief was $2,264,172—$1,044,312 having been disbursed in unorganized territory, was divided equally between the Provincial and Dominion Governments, while $1,219,860 having been distributed by municipalities, was made up by the Provincial Government and the Dominion Government, each paying one-third, and the municipality concerned paying one-third towards the cost of residents with dependants, but the cost of men without dependants in municipalities was borne equally between the Provincial and Dominion Governments.

At June 30, 1932, the Province was entering its third Summer of state-aided unemployment schemes, with approximately 26,000 people receiving assistance in the form of direct relief. Only by rigid curtailment of relief costs in the Summer months could the Provincial finances stand the prospective strain of the Autumn and Winter months. The continued and alarming influx of transients was giving grave concern—it was intimated that the financial burden of relief camps could not be carried indefinitely and that unless a change in policy were made they might have to be closed. Meantime, in order to meet depleted revenues, all Departments of the Government had been requested to cut materially their 1932 appropriations.

During the 1932 Session of the Provincial Legislature a Select Committee had been appointed to make a full inquiry into the prevailing condition of unemployment and of the methods adopted by

the Province in the amelioration of the situation. The Inquiry embraced also an investigation into certain alleged irregularities made in the House of Commons by Members. (See elsewhere in this Section).

Two outstanding events in British Columbia marked the period under review. The Diamond Jubilee of the Province was observed by a three-day celebration from July 19 to 21, 1931, during which congratulatory messages from other Canadian Governments and from other parts of the Empire were received by the Prime Minister, Hon. S. F. Tolmie. Thousands from outside points thronged to Victoria, the Provincial capital, to witness the ceremonies in honour of the occasion. The new Lieutenant-Governor of the Province, Hon. John William Fordham Johnson, President and Managing Director of the British Columbia Sugar Refining Company Limited, whose appointment in succession to Hon. Randolph Bruce had been announced on July 19, was sworn into office on Aug. 1, Chief Justice Hon. A. J. MacDonald having been for some months Administrator during the absence of Mr. Bruce in Scotland.

Political and Other Incidents of the Year. A By-Election was held on Dec. 19, 1931, in the Columbia Electoral District when the candidates were Thomas King (Lib.) who polled 922 votes, and Frederick William Jones (Con.) who polled 627 votes, giving a majority of 295 to the successful candidate, Thomas King.

The Annual Meeting of the British Columbia Conservative Association was held at Nanaimo on Nov. 27, 1931, when the Prime Minister, Hon. S. F. Tolmie, announced a policy of economy in the conduct of public business, when giving a survey of the problems which had confronted the Government during the year. Lindley Crease, K.C., was re-elected President. Resolutions were passed proclaiming renewed loyalty to the Dominion and Provincial Prime Ministers. The Meeting rejected by 79 to 23 the proposal to hold a Party Convention; instead, the Prime Minister was to meet a Committee of 15, mostly from Vancouver in an attempt to end dissension among the Vancouver Conservatives who had been strongly in favour of calling the general meeting. The policy of reducing the number of seats in the Legislature came up for discussion, also British Columbia finances. Toward the end of June, 1932, H. D. Twigg (Con., Victoria City) was appointed organizer for the Provincial Conservative Party.

In another effort to solve the financial problem of the Province the Prime Minister, Hon. S. F. Tolmie, consented to the request of twenty-two business organizations of British Columbia to appoint a citizens' voluntary Commission to investigate the finances of the Province. The personnel of the Commission, which was announced on Apr. 16, 1932, was as follows: George Kidd, W. L. Macken, A. H. Douglas, R. W. Mayhew, and Austin C. Taylor.

The Dairy Products Sales Adjustment Act, passed by the Provincial Legislature in 1931, was found to be *ultra vires* in a judgment handed down in the Supreme Court of British Columbia on Sept. 26, 1931, by Mr. Justice Murphy, who declared that enforcement of the Act resulted in indirect taxation. The Court dismissed with costs an action of Lower Mainland Products Sales Adjustment Committee which claimed a *mandamus* to compel the defendant, Crystal Dairy, Limited, Vancouver, to make monthly returns under the Statute. In January, 1932, it was announced that the case would be carried to the Privy Council by the Government.

The Fourth Session of the Seventeenth Legislature

The Honourable J. W. Fordham Johnson, Lieutenant-Governor of the Province, opened the Fourth Session of the Seventeenth Legislative Assembly on Feb. 17, 1932. Briefly referring to the termination of Hon. R. Randolph Bruce's tenure as Lieutenant-Governor and of the regretted death of John Andrew Buckham who had presided as Speaker over the proceedings of the Assembly from 1924 to 1928, attention was drawn to the world-wide economic condition and its accompanying effect upon the Province. A review of the co-operative efforts of the Dominion Government, the Province and the Municipalities on behalf of unemployment was given in the Speech. As an indication of the wish of the Province to foster Empire trade and to develop markets for British Columbia products, the Agent-General of the Province in London, the Speech stated, was organizing tours from the British Isles throughout the Dominion during the months of May, June and July. It was believed that this venture would result in a fuller knowledge of the advantages of British Columbia as a desirable country for the investment of capital and for settlement as well as for trade. The hope was expressed that the Imperial Conference at Ottawa in July (1932) would provide beneficial results in the way of closer trade relations between the different units of the Empire. Calling attention to mining conditions the Speech declared mining and metallurgical costs had been reduced during 1931 and that, appreciating the importance of extending all practical encouragement to the search for and the development of placer-gold mining resources, proposals would be submitted by the Government during the Session directed toward that end, as well as measures to deal with the administration of oil and natural gas rights, research work having disclosed vast possibilities of wealth in that direction. Favourable signs in the lumber industry were indicated in connection with efforts made by the Government to establish markets. Brief mention was also contained in the Speech covering the following items: that the tourist trade of the Province, notwithstanding economic conditions, had been well maintained; that a Commission had been studying during the year the question of Health Insurance and would present its Report during the Session; that owing to depletion in the Public Revenues certain economies in the Services had become necessary; that legislation would be submitted dealing with the Land Act, the Placer-mining Act, the Coal and Petroleum Act, and the Motor-vehicle Act; and that since the return to the Province of the Railway Belt and Peace River Lands there had been witnessed a steady flow of settlers to these sections, especially into the Peace River Block.

R. W. Alward (Con., Fort George) and MacGregor F. MacIntosh (Con., The Islands) moved and seconded the Motion to Address a Reply to the Speech from the Throne on Feb. 18 following which T. D. Pattullo, Leader of the Liberal Opposition, suggested in a half hour's speech that the Debate be terminated at once in order that

the business of the Session might be advanced and also as the Speech did not contain anything of a debatable nature. The Prime Minister having concurred in this, the Session was adjourned till the following day when the Motion was adopted.

The Budget Address. Hon. J. W. Jones delivered his Budget Address on Mar. 16, 1932. He stated that in accordance with the Balance Sheet of the Province as at Mar. 31, 1931, Provincial Assets amounted to $183,821,559, while Liabilities totalled $144,102,562, leaving Excess Assets over Liabilities at $39,718,997, a decrease during the preceding twelve months of $5,395,738. The Net Public Debt at Nov. 1, 1931, was $111,505,087, as compared with $102,540,180 at Nov. 1, 1930, an increase for 1931 of $8,964,907. Actual Revenue, aggregating $24,280,703 for 1930-31, was $3,834,843 short of the estimated amount, and $1,803,024 less than that for the previous year, while Actual Expenditure amounting to $29,099,964 was $1,027,249 more than had been estimated, this increase primarily due to the cost of unemployment relief measures, totalling $991,889. There was a Deficit for 1930-31 of $4,819,261.

Sales of Provincial securities to Eastern and New York syndicates during the twelve months ended Nov. 1, 1931, totalled $34,280,822, comprised as follows: short-term notes, $4,015,000; 5-year debentures, $8,500,000; 30-year serial debentures, $8,284,000; and Treasury bills sold to the Canadian Bank of Commerce, $13,481,882.

The total values of Sinking Fund accumulations were announced as $26,685,734, an aggregate potential surplus of $1,935,530, the effect of which, together with recent purchases at the high yields prevailing, would in five years build up a fund sufficient to retire all Debt maturing between 1937 and 1942, amounting to $35,443,436, without further levies upon the taxpayers of the Province, which would mean an annual saving of $554,327.

Mr. Jones briefly reviewed the economic position of the Province and emphasized his belief that "it is time the people made it their business to study the principles that should guide their actions in public affairs and regulate their demands for Government service" of which "had the public realized the full facts as to the cost, the reaction to this vast expenditure programme would have emphatically been for less rather than more public services."

In proposing taxation changes Mr. Jones condemned the lavish borrowings of the previous two decades, which had caused the main sources of revenue to be practically swallowed up in meeting the annual Debt charges. He stated that the imposts were "emergency" imposts only and were part of the 3-year "retrenchment policy" to which the Government were pledged. The most important of these changes was the Repeal of the Gross Income Tax on trades, businesses and professions, and the consolidation of the Income Tax and the Special Revenue Tax into one revised Taxation Act which provided for a tax on annual income on a graduated scale of 1 per cent. (cumulative) on each $1,000 of income up to $19,000 after which the tax would be a straight 10 per cent. Exemptions were reduced from $1,800 to $500 for married persons, from $800 to $200 for dependants and from $500 to $300 for Life Insurance premiums. No exemptions were allowed to single persons without dependants. The same principle would be applied on the net profits of business firms and would be the only levy on profits as the turnover tax on their gross income had been wiped out. The whole tax, said Mr. Jones, was designed to eliminate inequalities then existing. Other taxes which would be imposed were: a super-tax of 5 mills on all lands outside school districts and not carrying any levy for school purposes; an increase in the gasoline tax from 5 to 7 cents per gallon; a 5 per cent. tax on all liquors except wines produced in British Columbia; a fuel oil tax of half a cent a gallon; the upward revision of the amusements tax, the Act to include athletic exhibitions; in-

crease in the tax on pari-mutuel bets from 5 to 7 per cent.; and an annual licence of $1 for all automobile drivers.

Other steps, in addition to taxation imposts, taken by Mr. Jones in his successful efforts to balance the Budget included: the reduction of appropriations for various Departments by $4,301,134, which, subtracting gross increases of $914,775, left a net decrease of $3,386,359; the transference of the cost of social services to the municipalities to the extent of $868,000 a year, the municipality grants to be continued on the existing basis; the elimination of any new borrowings for road construction; a further cut of 2 per cent. in all Civil Service and Cabinet salaries and a reduction of 10 per cent. in sessional indemnities; a reduction of Capital Expenditure from loans to the low sum of $500,000 to cover certain irrigation costs and public works.

As a result of this retrenchment policy, the Minister of Finance reported that Revenues for 1932-33 were estimated at $24,843,766 and Expenditures at $24,693,671, leaving a Surplus of Revenues over Expenditures of $150,095. This statement showed a reduction in Expenditures from the Main Estimates, submitted the previous year, of $3,386,359.

Mr. Jones stated that even with the added returns from the increased taxes and certain new revenue sources, the taxpayers of the Province would contribute to the Treasury some $3,245,000 less in 1932-33 than the amount shown in the Estimates for 1931-32. There was a decrease of $1,065,000 in the Estimated Revenue from the Department of the Attorney-General which included a loss of $750,000 from liquor profits and $220,000 under the Motor Vehicles Act. The estimated collections by the Department of Finance were $688,000 lower than the previous year's estimates in spite of an anticipated increase in yields from the new taxes of about $1,195,000, which was offset by expected decreases in Income Tax receipts, after making allowance for the revised rates, of $1,250,000. The aggregate drop in revenue from the Department of Lands was estimated at $1,213,000, including decreases such as $95,000 from land revenue and sales, and $1,105,000 from timber leases, licences and royalties.

The sum of $7,000,000 was provided in the Loan Bill for former deficits, the Minister announced, but "will only be used to an extent and at a time when deemed absolutely necessary; such part borrowings will decline and eventually stop, as, under the policy adopted, future surpluses in revenue will repay our Consolidated Revenue for past deficits."

The Minister of Finance had declared in the House on Mar. 5 that the Report of the Comptroller-General for the first nine months of the fiscal year ended Mar. 31, 1932, which had estimated a Deficit for this period of $4,264,000, was economically unsound as it included amounts set up to cover unemployment relief which were not chargeable against 1931-32 finances. The official Report, according to Mr. Jones, gave total Expenditures to Dec. 31, 1931, as $19,171,964 and total Receipts as $16,369,714, leaving a Deficit of only $2,802,249. "It is expected," stated Mr. Jones, "that Current Receipts will offset Current Expenditures for the remainder of the year . . . and that the Deficit will not be more than $3,000,000 for the entire fiscal year."

Opening the Liberal attack on the Budget, T. D. Pattullo, Liberal Opposition Leader, declared that the Estimates of Government Expenditures "are as false this year as last year," that to make up for deliberate padding of the Estimates the Administration would resort to an abuse of the special warrant power to raise funds on the moment for purposes not included in the Budget; that Public Works expenditures had risen from about $7,000,000 for the year ending Mar. 31, 1928, to over $13,000,000 for 1931; that the Government had lost $600,000 in exchange on two short-term loans totalling $5,500,000; that they had paid secret commissions of 2¾ per cent. on recent refunding issues of five millions; that the Province was becoming more dependent each year on liquor profits to conduct the public business; that there was still over $23,000,000 outstanding for which no Sinking Funds had been provided; that there was no provision in the Budget for relief work, for forest

fire-fighting or for capital expenditures on Provincial highways and roads—that the Government expected to resort to special warrant for these purposes; that hundreds of thousands of dollars were being spent in the increasing number of civil servants to satisfy Party obligations; and that additional burdens were being placed on municipalities. (*The Vancouver Daily Province,* Mar. 18, 1932).

A. M. Manson, K.C., (Lib., Omineca) claimed that the Government would have a deficit of $7,000,000—therefore what could be expected for the "coming fiscal year;" that the Minister of Finance had been 28 per cent. out of his Estimates the year before; that borrowers of new money had increased the debt carrying charge of the Province 75 per cent. since the Administration took office; that 237 relief camps had been established in British Columbia compared to 20 in Alberta, 20 in Saskatchewan, 18 in Quebec, 6 in Nova Scotia and one in Manitoba; and he criticized the high borrowing rates of the Government. (*Vancouver Daily Province,* Mar. 23, 1932).

The Prime Minister (Hon. S. F. Tolmie), speaking to the Motion on Mar. 23, mentioned that he had no intention of relinquishing his office; that his health was so improved as to enable him to assume again his full responsibilities. He denounced the abortive land settlement schemes of the former Liberal Government which had involved a wastage of millions of dollars. He stated that the Government, before presenting the Budget, had given careful consideration to every detail with a view to cutting expenditures wherever possible; that the total reduction in Department expenditures was $5,774,000, and that even with additional taxation needed to balance the budget, the taxpayers would pay $3,247,000 less to the Provincial Treasury "in the coming year." In answer to attacks on the Liquor Board policy the Prime Minister drew attention to the saving of $350,000 a year for the people by such a policy. He had every sympathy with the municipalities but declared the Government could not save money without reducing expenditures. (*The Colonist,* Mar. 24, 1932).

Hon. R. W. Bruhn (Minister of Public Works) denied allegations made in the House of Commons by Thomas Reid (Lib., New Westminster) as to purchases for relief camps. In defence of the Government's road policy he stated that revenue from Provincial roads had increased from $500,000 in 1923 to more than $4,000,000 in 1931, of which $3,825,000 had been available to apply on the cost of maintenance and construction; and that a total distance of 540,000,000 miles had been travelled on Provincial roads at an average saving of a cent a mile to car operators.

Other Members taking part in the Debate included C. M. Kingston (Con., Grand Forks-Greenwood), T. King (Lib., Columbia), T. Uphill (Lab., Fernie) and W. H. Sutherland (Lib., Revelstoke), the latter concluding his address by moving an Amendment to the Motion, which was seconded by F. M. MacPherson (Lib., Cranbrook) that "this House regrets the inordinate Provincial public expenditures which have taken place during the life of the present Parliament; and this House further regrets proposed heavy imposts of additional taxation." The Amendment was defeated by 31 to 10. After further Debate the main Motion was adopted on division, 30 to 11.

Unemployment Relief Committee. A Select Committee of the Legislature, composed of Messrs. Twigg (Con.), Loutet (Con.), Berry (Con.), Lister (Con.), Kirk (Con.), Alward (Con.), Beatty (Con.), Pattullo (Lib.), Manson (Lib.), Sutherland (Lib.), Pearson (Lib.) and Rutledge (Con.) was appointed by Resolution under date of Feb. 24, 1932, to inquire into all matters pertaining to the question of unemployment relief under the Dominion-Provincial-Municipal agreements. Included in the investigation was the consideration of certain charges made by T. Reid, M.P., (Lib., New Westminster) and A. W. Neill, M.P., (Lib., Albernie) in the House of Commons as to irregularities in connection with purchases for relief camps, etc.; also certain charges made by Harold Brown, President of the Vancouver Board of Trade.

In the Report of the Committee which was made public on Apr. 11, 1932, the charges of the Members of Parliament were declared to be without "basis in fact," the Report stating in part, "Your Committee regrets that men in responsible positions should prefer charges of the above character without foundation in fact, thereby holding their Province up to ridicule in the eyes of their fellow-Canadians, and trusts that public opinion will demand that the fair name of this Province be protected in future by those responsible." As to Mr. Brown's statements which he was called upon to explain before the Committee, the Report declared that his criticism was found to be "unwarranted and untrue."

The Report contained an elaborate summary of all phases of administration of relief with statements covering fully expenditures with regard to direct relief and relief works; for the latter, data was given as to rates of pay; cost of relief camps; number of persons employed, etc., etc. Recommendations of the Committee included the following: (1) that direct relief being wasteful and demoralizing in its effects should, as far as possible, be discontinued in favour of work for which some remuneration should be given; (2) that consideration should be given to the excessive demands upon the taxable resources of municipalities in connection with unemployment; (3) that the Committee believed that the responsibility for the many thousands of transient men in the Province rested with the Provinces of origin and the Dominion; (4) that the drain on the Provincial Treasury, though heavy, could have been met in connection with the problem of British Columbia unemployed but that the extra drain upon the Provincial and municipal resources was almost more than could be borne in connection with the influx of these unemployed outsiders; (5) that unemployed women with dependants should receive more attention; (6) that the nation-wide character of the unemployment problem should be placed in charge of a permanent Board having the fullest powers to create co-ordination between the Dominion and the Provinces and, through the latter, with the municipalities; (7) that land settlement "for those who are land-minded and suited to such a life" should be encouraged; (8) that young men between 18 and 25 and selected cases over that age should be taught to work, to farm and to maintain their citizenship; (9) that the Peace River outlet should be commenced with a view to giving employment to many men; (10) that an effort should be made to keep up the connection of unemployed men with the militia units to which they belonged; (11) that money and labour expended upon non-revenue-producing works "at the present time" was economically unsound; (12) that representatives of the basic industries of British Columbia should attend the Imperial Economic Conference at Ottawa in July (1932) as observers to advise the Dominion Government with respect to the possibilities of capturing a portion of Empire markets; (13) that encouragement should be given by the Provincial Government to efforts to increase internal and external trade; (14) that the development of the diversified resources of British Columbia should be encouraged for Provincial markets and with that end in view a Provincial advisory committee should be created to deal with finance, transportation, industry and scientific research in British Columbia—such a board to give their services voluntarily.

Legislation and Incidents of the 1932 Session. Important legislation enacted during the Fourth Session of the Seventeenth Legislature which closed on Apr. 13, 1932, included the following: (1) the ratification of agreements with the Dominion and the Municipalities respecting the relief of unemployment, and providing further powers for dealing with this important subject; (2) provision for the issuance of provisional free miners' certificates and the suspension of the requirements as to payment of recording fees in respect of placer-mining claims; (3) an Act for the relief of mortgagors and purchasers of lands; (4) an Act respecting Petroleum and Natural Gas was expected to protect the public interest in connection with the development of those resources; (5) Amendments to the Bills of Sale Act and the Condi-

tional Sales Act for the purpose of establishing a system of central registration of liens affecting motor vehicles, was expected to afford an additional means of preventing frauds in connection with dealings in motor vehicles; (6) provisions in Amendments to the Provincial Elections Act to facilitate the more frequent revision and correction of Provincial voters' lists; (7) an Act amending the Insurance Act containing provisions respecting automobile insurance and providing, in connection with the Motor-vehicle Act, a needed measure of protection to the public in respect of damages suffered through automobile accidents and which was expected to prevent the use of highways by irresponsible drivers; (8) an Amendment to the Land Act which was designed to facilitate the disposal of Crown lands by rendering it easier for settlers to acquire such lands; (9) several Amendments to the Municipal Act which provided for the conduct of municipal affairs; and (10) the extension of the basis of taxation for school purposes in municipal and rural school districts as contained in an Amendment to the Public Schools Act.

The Pacific Great Eastern Resources Survey Report, tabled in the Legislature on Feb. 25, by Hon. S. L. Howe, Provincial Secretary, was compiled in an effort to ascertain the value of the country through which the line of the P.G.E. passes from Squamish to Prince George and also the possibilities that would ensue if the railroad were projected north from that City to the Peace River District. The Report revealed the existence of resources of enormous potential value. In the three blocks known as East Cariboo, West Cariboo and West Lillooet between Squamish and Prince George were 190,300 acres of cultivable land, 1,690,000 acres of grazing lands, 6,372,500,000 board feet of timber resources, 3,100 square miles with lode-mining possibilities, 4,000 square miles of placer ground estimated to possess a yield of $300,000,000. The possibilities offered by the extension of the Railway north from Prince George were summarized as follows: access to 3,864,000 acres of cultivable lands, largely suitable for mixed farming; 10,200,000,000 board feet of merchantable timber; 6,000,000 cords of pulpwood and 7,000 square miles of mineralized areas, especially deposits of over 600,000,000 tons of semi-anthracite coal. Contiguous to the proposed line of railway there would be 156,000 horse-power at minimum flow. It was later estimated that the extension of the railway to the Peace River would involve an expenditure of $50,000,000.

The findings on the administration of the Mothers' Pensions Board in British Columbia, as contained in the Report of special investigators of the Canadian Council on Child and Family Welfare, were presented to the Legislature by Hon. S. L. Howe, Provincial Secretary, on Mar. 7. It was stated that misinterpretation and misuse of the system in the extension of unnecessary or unsuitable aid to homes entirely outside the scope of the Act, were prevalent. The Report recommended that the whole principle of allowance payment be reviewed; that one year's continuous residence in the Province with the intention of permanent residence be required; that a division of social assistance, similar to that on neglected children, be created in the Department of the Provincial Secretary for the administration of the Mothers' Pensions Act, the vote for the relief of the sick and indigent, and the distribution of direct unemployment relief in unorganized districts.

The Prime Minister (Hon. S. F. Tolmie) on Apr. 7 moved a Resolution, which was adopted unanimously, expressing the satisfaction of the Legislature and the people of British Columbia at the prospect of the Imperial Conference to be held at Ottawa in July (1932) and extending assurance of the loyal support and co-operation of the Province in all measures which would insure the common good.

A resolution moved by James Fitzsimmons (Con., Kaslo-Slocan) urging discussion, by the Imperial Conference at Ottawa in July, of international steps to stabilize the price of silver, was unanimously passed by the Legislature on Mar. 30.

The Provincial Government announced on Mar. 9, that if the United States Senate persisted in its refusal to adopt the Fraser River Sockeye Treaty,

British Columbia would recommend to the Federal Government the obliteration of the Fraser River Salmon run and the development of northern fisheries in place of it.

The Annual Report of the British Columbia Provincial Police, of which Col. J. H. McMullin was Commissioner, showed that 5,347 cases were dealt with during 1931—a decrease of 1,208 cases—while convictions were 4,760. Revenues collected amounted to $1,686,719.11, of which fines contributed $50,109; game licences, $36,228.60; poll tax, $15,908; trade licences, $25,010.50; fishery fees, $16,555; and motor licence fees, $1,517,484.42. Under the Government Liquor Act 660 cases were reported, and convictions were registered in 617.

The Department of Public Works; Other Annual Reports

The Report of the Department of Public Works for the fiscal year ended Mar. 31, 1931, was submitted to Hon. R. W. Bruhn, Minister of Public Works, by P. Philip, Chief Engineer. The period covered was considered remarkable, not only on account of the exceptionally extensive programme of highway work carried out, but also on account of labour conditions, which had become increasingly serious as the year advanced. Capital expenditures on highway projects during the year amounted to $7,845,610. Two charters to operate ferries for the purpose of providing highway connection were granted: one from Swartz Bay in North Saanich to Fulford Harbour on Saltspring Island, which commenced operation in October, 1931; and the other from Buckley Bay on Vancouver Island, to Denman Island, commencing operation in August, 1931. The construction of the steel and concrete Hagwilget Bridge over the Bulkley Canyon at Hazelton was begun, and eight timber bridges were completed during the year under review. A further grant was made to the Automobile Club of British Columbia toward the cost of maintenance and erection of directional highway signs.

Total licences for public passenger vehicles in force at Oct. 31, 1931, were 197, and for public freight vehicles, were 170. The sum of $13,470,501 was expended on public works during the year.

Labour Affairs. As in other parts of the world a substantial decrease in employment was shown in the records of the Province of British Columbia for the year 1931, according to the 1931 Report of the Department. A decline was also indicated in the average weekly wage paid in most of the industries in the Province, but this is accounted for in some instances owing to the average hours worked per week having been decreased. The lumber industry showed the heaviest reduction in pay-roll, being $12,000,000; followed by metal-mining with $3,600,000; food products, $2,600,000; and contracting and metal trades with $2,500,000 each.

Returns were received from 4,088 employers, a decrease of 616 from 1930. The pay-roll of the 4,088 firms amounted to $96,296,568, a decrease of $30,863,900 from 1930, or 24.27 per cent. To have a fair estimate of the total pay-roll of the Province, $34,644,441 should be added to the $96,296,568 in consideration of firms who did not report and others whose reports were too late to be recorded. The Employment Service recorded 46,944 placements during the year, all but 10 being in the Province. This figure included men sent to relief work in camps or elsewhere. (For unemployment relief, see introductory summary to this Section).

Eleven strikes were recorded in the Province during 1931—the highest number since 1924. 2,322 employees were affected and 79,310 working-days lost. Of this number, 49,715 working-days could be traced to the activities of a certain unaffiliated union which was very active in the lumber industry.

The Report of the Minimum Wage Board for the year 1931 included a reference to a request received from fruit packers asking that the minimum

wage for female help in the industry be suspended in view of prevailing conditions; the request, upon consideration, had not been granted. During the year 20 employers were summoned to appear in Court for failure to comply with the Order of the Board. The average weekly wage for all employees over 18 years of age dropped from $17.37 in 1930 to $16.71 during 1931; for employees under 18 years of age the rate fell from $10.57 in 1930 to $9.99 in 1931. Of the 18,154 females employed, 10,060 were in receipt of a rate higher than the legal minimum; 3,919 employees received the minimum rate payable under the various Orders, and 4,175 employees were paid less than the minimum rate—some of these being under 18 years of age and some having worked fewer than 48 hours per week. According to records received from employers, 2,215 firms made no change in their staffs during the year; 443 firms made a reduction in the number employed, while 464 made a wage reduction of from 2 per cent. to 45 per cent. in the wages paid; these reductions affected only those who were receiving an amount in excess of the legal minimum rate for the industry concerned.

The sum paid out in Old Age Pensions for the fiscal year ended Mar. 31, 1932, amounted to $1,442,040. The number on the rolls at Mar. 31, 1932, was 6,477. Administration expenses for the fiscal year were 1.022 per cent.

The Report of the Workmen's Compensation Board for the year ended Dec. 31, 1931, stated that firms employing labour in industries under the Act, showed a decrease of 4½ per cent. at the end of 1931, as compared to 1930. There were 150,000 workers protected under the Statute in 1931. At the end of 1931 there were 818 widows on the pension list; 1,074 children; 128 dependent mothers; 44 dependent fathers; and 47 other dependants. During 1931 there were 1,902 totally or partially disabled workers in receipt of monthly allowances. 7,408 accidents were reported during 1931.

The Tenth Annual Report of the Superannuation Commissioner, showing the business done in pursuance of the Superannuation Act, covered the year ended Mar. 31, 1931. The number of contributors to the Fund was stated to be 6,400, with total annual contributions of $1,083,566. The total amount paid out of the Fund on account of allowances granted was $200,237, paid to 452 persons during the fiscal year 1930-31.

Agriculture. The Agricultural Statistics Report of British Columbia for 1931 stated that despite "deflated values of all products of the farm and the reduced purchasing power of the Prairie consumers," increases had been recorded in the quantity production of poultry products, dairy products, small fruits, tree-fruits other than apples, potatoes, fodders, grains, honey, tobacco and hops. The total value of imports was placed at $13,419,699, a decrease of $6,016,713, or 30.96 per cent. Imports from other Provinces were valued at $11,612,387, as against $14,296,762 in 1930, and imports from foreign points at $1,807,312, a decrease from the previous year of $3,332,338. Exports for the year were valued at $6,197,005.

Fruit returns to the producer were considered unsatisfactory on the whole. The total production of all fruits amounted to 182,014,000 lb., valued at $4,928,781, as compared with 218,610,000 lb., valued at $7,820,034, in 1930, indicating a decrease of 16.74 per cent. in quantity and 36.97 per cent. in value. The production of apples alone amounted to 150,572,000 lb., being a decrease from the previous year of 38,624,000 lb., or 20.42 per cent. Other tree-fruits showed an increase of 1,146,000 lb. Small fruits produced amounted to 11,546,000 lb., valued at $932,608, as compared to the production in 1930 of 10,664,000 lb., valued at $1,182,026, indicating an increase of 8.27 per cent. in quantity, but a decrease of 21.10 per cent. in value. The total vegetable-crop amounted to 66,918 tons, valued at $2,376,064, as compared with a production of 83,459 tons, valued at $3,048,371, in 1930, the loss in tonnage being due to a large decrease in the acreage planted to tomatoes. Forced and field rhubarb, outdoor cucumbers and greenhouse tomatoes showed increased production while decreases occurred in market vegetables and outdoor tomatoes.

The total area sown to field crops was 502,964 acres, a decrease from the previous year of 6.70 per cent. The production of all grains amounted to 6,606.029 bushels, valued at $3,112,142, an increase in quantity production of 299,380 bushels. The total production of wheat was estimated at 1,580,072 bushels from 64,964 acres, as compared with 1,315,136 bushels from 60,734 acres in 1930.

Dairy production increased by 20 per cent. in 1931, but the total value decreased from $13,307,309 in 1930 to $11,571,993 in 1931. Creamery butter showed an increase of 1,295,754 lb., and dairy butter, 49,250 lb.

The value of all domestic animals was placed at $16,704,000, as compared with $27,355,000 for the year 1930, a decrease of 38.90 per cent., attributable to a great extent to the lower unit values of farm animals and also to the fact that the decennial census returns showed a considerably smaller number of beef cattle than enumerated by the annual survey. The average values per head of live stock were estimated as follows, with the averages for 1930 within brackets: Horses, $65 ($77); milch cows, $65 ($77); other cattle, $33 ($42); sheep, $7 ($9); swine, $11 ($18).

Nine new Farmers' Institutes were incorporated during 1931, bringing the total to 198 Institutes with approximately 7,400 members. Women's Institutes numbered 154, including 11 new ones, with 4,542 members. Neither organization held an Annual Meeting in 1931.

Mines, Fisheries and Lands. According to the Annual Report of the Minister of Mines for the year ended Dec. 31, 1931, the gross value of the mineral production of British Columbia, in 1931, was $34,883,181, as compared with the figure of $55,391,993, in 1930, a decrease of $20,508,812, or 37 per cent., due to the lower metal prices and lowered output of metals. Quantities and values of mineral production in 1931, with comparative figures for 1930, are as follows:—

Description	1930 Quantity	1930 Value	1931 Quantity	1931 Value
Gold, placer ..... oz.	8,955	$ 152,235	17,176	$ 291,992
Gold, lode ..... oz.	160,778	3,323,576	146,039	3,018,894
Silver ..... oz.	11,289,171	4,307,270	7,524,320	2,247,514
Copper ..... lb.	90,421,545	11,738,525	63,194,299	5,289,363
Lead ..... lb.	319,199,752	12,535,931	248,783,508	6,742,282
Zinc ..... lb.	250,287,306	9,010,093	205,071,247	5,237,520
Coal ..... tons, 2,240 lb.	1,887,130	9,435,650	1,707,590	7,684,155
Structural materials	.....	4,092,568	.....	3,553,300
Miscellaneous metals and minerals	.....	796,145	.....	818,161
TOTALS	.....	$55,391,993	.....	$34,883,181

The Game Commissioner (A. Bryan Williams) reported bird shooting in 1931 as better than it had been for years—British Columbia was considered the only part of the Continent that was able to claim an increase in its stock of wild fowl. A marked increase was shown in fur-bearing animals, particularly beaver, due to the system of trap-line registration. Revenue from licences showed a slight decrease, while revenue from royalty on furs showed an increase.

The product of the British Columbia Fisheries in 1931 had a total value of $11,109,822, as compared with $23,103,302 in 1930, according to the Preliminary Report of the Dominion Bureau of Statistics in co-operation with the Fisheries Department. Of chief importance was the salmon fishery, with a product in 1931 valued at $7,196,174. The salmon catch in 1931, owing to economic conditions, was greatly curtailed, only 685,104 cases being packed in comparison with 2,221,783 cases in 1930, which was the largest pack ever recorded in the Province. The halibut fishery ranked second in importance, the output for the year being valued at $1,373,679, practically all of which was marketed fresh for consumption. Herring fishery took third place with a value of $1,058,139, followed by the pilchard fishery at $807,842, Total catch of all kinds of fish in the Province during 1931 was 4,649,962 cwts., com-

pared with 5,430,638 cwts. the year before. Capital investment of the fisheries industry of British Columbia was $20,250,435, apportioned $7,777,932 to primary operations and $12,472,503 to fish canning and curing. The total number of persons employed in catching and landing fish was 9,495, and the number engaged in canning and curing totalled 3,772.

The Report of the Lands Branch of the Department of Lands for the year ended Dec. 31, 1931, stated that the sale of reverted acreage had outstripped that of similar ordinary Crown acreage for the 4th consecutive year. Revenue for 1931 from land sales was $143,944 as compared with $293,631 (the decline accounted for by the abnormal sale of Vancouver acreage in 1930); under the "Land Act," $136,145, as compared with $106,971 in 1930; under the Coal and Petroleum Act, $38,708; and sundry receipts, $27,544; a total of $346,340, as compared with $367,116 the previous year. Pre-emption records increased from 934 to 2,441 in 1931. Total land sales covered 16,470 acres.

According to the Report of the Forest Branch for the calendar year 1931, the Provincial timber cut showed a decline from 2,663,752, M.B.M. in 1930 to 1,948,404 M.B.M., the total value of the industry being only $44,447,000, half of that accruing in 1929, although the revenue received by the Branch showed a less drastic reduction, $2,576,343 as against $3,436,071 in 1929. Orders were received from Australia for mining timber amounting to 12,000,000 feet, entirely new business for 1931. (See Fire Commissioner). Abolition of the Land Settlement Board, consequent on the institution of the Dominion Farm Credits Board, and cessation of Provincial loans to settlers under the Provincial statute, was announced by Hon. N. S. Lougheed on June 22, 1932, on behalf of the Government. Colonization features of the work would, in future, he stated, be carried on by the Department of Lands.

Education. The 60th Annual Report of the Public Schools of British Columbia for the school year ended June 30, 1931, was submitted to Hon. Joshua Hinchliffe, B.A., Minister of Education, by S. J. Willis, B.A., LL.D., Superintendent of Education. The enrolment in the schools increased during the year from 111,017 to 113,914 divided as follows: High schools, 16,197; Superior schools, 734; Junior High schools, 5,810; Elementary schools, 91,173. The average daily attendance was 99,375 while the percentage of regular attendance was 87.23. In addition to the above there was an enrolment of 11,671 students in other educational institutions, including 2,044 at the University of British Columbia and 7,179 at night schools. There were 3,948 teachers of both sexes employed. The total Government expenditure on education in 1930-31 was $3,834,727.

The University of British Columbia reported a registration for the 1931-32 session of 1,986 students divided as follows: Faculty of Arts and Science, 1,393; Faculty of Applied Science, 322; Faculty of Agriculture, 53; graduates, 109; and teacher-training course, 109. Professor George E. Robinson retired and was made *Emeritus* Professor, Department of Mathematics. The Honorary Degree of Doctor of Laws (LL.D.) was conferred upon the Hon. Henry Herbert Stevens, Ottawa, and upon Edward Burness Paul, M.A., Victoria.

Considerable discussion was caused by the reduction of the University grant by the Provincial Government to $250,000. Student demonstrations, mass meetings and the presentation of a monster petition to the Government reflected the effect on the student body. The University Senate on Feb. 25, 1932, adopted recommendations of its Special Committee urging abolition of the Faculty of Agriculture by merging it with the Faculty of Applied Science, the leasing of the University Farm, the reduction of administration costs to $160,000, leaving $90,000 for the work of teaching, and asking the Government for an additional appropriation of $40,000 to provide for salary commitments and accrued liabilities. These recommendations were placed before the Board of Governors who, however, unanimously adopted the Budget prepared for 1931-32 by the President of the University, L. S. Klinck, D.Sc., LL.D., deciding

not to make the Faculty of Agriculture a department under the Faculty of Applied Science. Fees would not be raised but it was planned to curtail attendance from 2,020 as in 1931-32 to 1,725 for the ensuing year. The Budget, based on a decrease in revenue of $233,783, estimated reduction of $77,549 in Arts and Science; $12,700 in Applied Science; $64,701 in Agriculture; $23,040 in administration; and $55,793 in miscellaneous expenditures. Subsequently the Senate passed a want-of-confidence motion in the President, L. S. Klinck, and the University Alumni Association also passed a resolution urging the Board of Governors to investigate the state of affairs existing at the University. The Board of Governors, while re-affirming its approval of the President's administration, resolved to institute an investigation and later appointed Judge Peter S. Lampman to conduct an inquiry into "present troubles at the University."

Resolutions passed by the Annual Convention of British Columbia School Trustees' Association held Sept. 21-23, 1931, urged the establishment of a government plan of insurance for all school buildings; the extension of the period of training at Provincial Normal Schools from nine months to two years; and the enlargement of the teacher's salary committee. The British Columbia Teachers' Federation in Convention on Mar. 30, 1932, passed resolutions approving the system whereby teachers' salaries were paid in 12 equal instalments; requesting the Department of Education to appoint a committee to study the whole curriculum in the light of practical experience and to take over all branches of the professional training for teachers; urging the University to institute the degree of Bachelor of Education; and demanding the reform of Departmental examinations.

Health; and the Reports of Royal Commissions. The 35th Report of the Provincial Board of Health (H. E. Young, Provincial Health Officer), covering the year 1930-31, stated that owing to the establishment of unemployment relief camps in the Province in 1931 the work of the Board had been increased, although little or no infectious disease had broken out in the camps. Necessitated by the restriction of space for needed additional staff the Public Health Service, which had previously been carried on in the hospitals, was established in a laboratory of its own in Vancouver in August, 1931. During the year 1930-31 there were 73 Public Health nurses, compared with 62 the previous year. 217,000 bulletins and pamphlets on health subjects were distributed throughout the Province during the year. There was a total of 10,724 infectious diseases reported during 1930-31, as against 11,877 the previous year, divided as follows: cerebro-spinal meningitis, 23; chicken-pox, 2,854; diphtheria, 286; encephalitis, 2; erysipelas, 162; german measles, 46; influenza, 1,698; measles, 332; mumps, 1,091; pneumonia, 362; poliomyelitis, 37; scarlet fever, 795; smallpox, 37; tuberculosis, 587; typhoid fever, 146; and whooping cough, 2,008.

The 59th Report of Vital Statistics for the year ended Dec. 31, 1930, gave the total number of living births in the Province, including Indians, as 10,867 or 18.2 per 1,000 population. Deaths numbered 6,400, a rate of 10.7 per 1,000. Marriages numbered 4,697 or 7.9 per 1,000 as against 8.7 the previous year.

The daily average population of the Tranquille Sanatorium for the year ended Mar. 31, 1931, was 325; there were 237 admissions; 235 discharges; and 562 patients treated. The number in residence at the Provincial Mental Hospitals at Essondale, New Westminster and Saanich at Mar. 31, 1931, was 2,551 compared with 2,411 at the end of the previous year. New admissions numbered 632; discharges, 304; deaths, 191; and those on probation, 102.

The 27th Annual Report of the Provincial Industrial School for Boys, at Coquitlam, for the year ended Mar. 31, 1931, stated that during the year 79 boys were admitted, 67 released, 2 transferred, and 2 deported, leaving a total of 137 in the school at the end of the year.

The Final Report dated Jan. 30, 1932, of the Royal Commission on State Health Insurance and Maternity Benefits (Chairman: C. F. Davie), which had been appointed on Apr. 16, 1929, included the following recommendations: (1) That a system of compulsory health-insurance and maternity-benefit scheme should be established at an early date in British Columbia, with first provision for: (a) general medical and surgical treatment, including the necessary pharmaceutical supplies and surgical appliances; (b) hospitalization; and (c) maternity benefit. (2) That the parties to be included compulsorily in the system should be all employed persons in the Province between the ages of 16 and 70, who should be in receipt of not more than $2,400 per year, together with such persons who should choose to join the scheme voluntarily. (3) That adequate safeguards be imposed to prevent the scheme from maladies brought on by wilful fault. (4) That contributions should not be payable by State, employer, or employee during any period in which the insured person was in receipt of benefit. (5) That the rate of contribution for benefits should be based upon the actuarially calculated average morbidity pertinent to the group of persons affected in accordance with the scheme or schemes to be adopted, together with provision for the accumulation of reasonable reserves for contingencies and administration. (6) That the employee's contribution should be deducted from wages or salary by the employer. (7) That sums paid as contributions by employer and employee should be deducted from the total income of such persons for purpose of taxation on income. It was reported that the sum of $24,187 had been expended by the Commission in carrying out the investigation.

The Report of the Royal Commission on Chiropractic and Drugless Healing (Denis Murphy, Commissioner) issued in 1932, recommended that the provisions of the Medical Act dealing with chiropractors be repealed owing to the widely divergent attitude of chiropractors and physicians and that a separate Act be passed incorporating chiropractors; prohibiting the use of such words as "doctor" or "physician" to designate the profession, the prescribing or administering of drugs or medical preparations by chiropractors and the practice by them of midwifery and surgery; and requiring all chiropractors to pass an examination before a Board of Examiners.

Department of the Attorney-General. The Annual Report of the Inspector of Municipalities (Robert Baird) for the year ended Dec. 31, 1931 showed that property assessment in cities, districts and villages of the Province totalled $837,370,983. Debenture liabilities of cities and districts amounted in the aggregate to $142,111,273, and the sinking funds showed a total of $29,706,262. Arrears of taxes in the cities, districts and villages amounted to $5,785,895; taxes levied aggregated $20,397,195; while receipts from various forms of taxation were $29,035,998. Total expenditures by the cities, districts and villages were $31,258,230. The Report stated that 1931 had been a difficult period for municipal administration; that borrowings had practically ceased, Councils only having at their disposal the revenues which they collected; and that there would be no justification for further debenture issues even when conditions improved.

The Report of the Superintendent of Insurance (H. G. Garrett), issued in November, 1931, covered the business of the year 1930. 17 new companies were licensed to transact business during the year, making a total of 287 in the Province, of which 42 were licensed for life insurance, 204 for fire insurance, 156 for automobile insurance, and 63 for marine insurance. The total premiums for the year for life insurance companies was $14,282,205; net amount in force, $438,702,000; and claims paid, $3,292,000. Fire insurance net premiums written amounted to $5,904,594 and losses paid, $3,671,727. The net premiums written of automobile insurance was $2,152,000 with net losses paid of $1,239,000.

The Report of the Provincial Fire Marshal for the year ended Dec. 31, 1931, placed the number of fires at 2,680 and the amount of loss at $3,162,394

—a decrease of approximately $1,600,000 over 1930. Credit was given to the City of Vancouver for over $1,000,000 of this decrease owing to their extensive work of fire prevention and investigation. Inspections made during the year numbered 72,821 and orders issued were 6,852—an increase of 12,685 inspections and a decrease of 60 orders issued.

The 10th Annual Report of the Liquor Control Board for the year ended Mar. 31, 1931, showed total sales of $14,735,423—a decrease of $1,763,270 as compared with the previous year. The sum of $3,064,126 was paid to the Federal Government during the year as follows: Duty, $2,577,639; Excise, $390,565 and Sales tax, $95,922. Licences issued for 1931 numbered 383. Revenue from permits was $167,859—a decrease of $29,224 from the previous year.

The Province of British Columbia

(As at June 30, 1932)

Lieutenant-Governor ..... Hon. J. W. Fordham-Johnson

The Tolmie Ministry (Conservative)

Prime Minister and Minister of Railways ..... Hon. S. F. Tolmie
Provincial Secretary and Commissioner of Fisheries ..... Hon. S. L. Howe
Attorney-General ..... Hon. R. H. Pooley, K.C.
Minister of Lands ..... Hon. N. S. Lougheed
Minister of Finance and Minister of Industries ..... Hon. J. W. Jones
Minister of Agriculture ..... Hon. W. Atkinson
Minister of Mines and Minister of Labour ..... Hon. W. A. McKenzie
Minister of Public Works ..... Hon. R. W. Bruhn
Minister of Education ..... Hon. J. Hinchliffe
President of the Executive Council ..... Hon. W. C. Shelly
Minister without Portfolio ..... Hon. R. L. Maitland, K.C.

Speaker of the Legislative Assembly ..... Hon. C. F. Davie

Heads of the Administrative Services

Deputy Provincial Secretary ..... P. Walker
Deputy Attorney-General ..... O. C. Bass, K.C.
Deputy Minister of Lands ..... H. Cathcart
Deputy Minister of Finance ..... E. D. Johnson
Deputy Minister of Agriculture ..... J. B. Munro, B.S.A.
Deputy Minister of Mines ..... Robert Dunn
Deputy Minister and Chief Engineer of Public Works ..... P. Philip
Deputy Minister and Chief Engineer of Railways ..... J. E. Griffith
Deputy Minister of Labour ..... Adam Bell
Deputy Minister of Industries ..... V. A. Rollins
Deputy Minister and Superintendent of Education ..... S. J. Willis, LL.D.
Assistant to the Commissioner of Fisheries ..... J. P. Babcock
Comptroller-General ..... J. A. Craig

RELATIONS WITH THE EMPIRE

The Imperial Economic Conference of 1932, Ottawa

Immediately after the General Election in the United Kingdom in October, 1931, and the return of the National Government to office, the Prime Minister of Canada, Rt. Hon. R. B. Bennett, issued invitations to the several Governments of the Empire to an Economic Conference at Ottawa. This was to take the place of the adjourned meeting of the Economic Section of the Imperial Conference of 1930 which was to have met in Ottawa some time within twelve months of the latter's closing on Nov. 14 but which, owing to a number of reasons, principally the holding of General Elections in Australia and New Zealand and the disturbed state of affairs in the United Kingdom during that period, had not materialized. There ensued, after the issuing of the invitations from Ottawa, a discussion in the Canadian House of Commons during the 1932 Session as to whether or not the 1932 Conference was the adjourned meeting of 1930 (See Section: Federal Administration and Politics, elsewhere in this Volume).

Following the receipt of acceptances to the invitations, arrangements for the Conference at Ottawa commenced, consultations by cable and other means taking place among the Governments of the Empire with regard to the questions to be considered. July 18 had been selected as the date of opening but subsequently it was abandoned in favour of the 21st. The prospects of the Conference were the subject of keen interest throughout the Empire and other countries. Preparatory committees were set up by the Empire Governments, and industrial, commercial and other interests became active in formulating proposals which were placed before the Governments of their respective countries. A provisional *Agenda* for the Conference, agreed upon by the Governments, were released for publication on July 12, in the several Empire capitals. Under the heading, "General Trade Questions," were the following subjects: general trade and tariff policy and administration affecting Empire trade, including recognition of the principle of reciprocal tariff preferences, application of existing and future preferences, Empire content, export bounties and anti-dumping duties; commercial treaty policy with respect to foreign countries, including the relation of inter-Imperial preferences to concessions to foreign countries; interpretation of the most-favoured-nation clause, particularly with reference to the development of preferences and a system of import quotas; consideration of the appropriate basis and means of effecting inter-Imperial economic co-operation including communications, research and standardization. Under the heading, "Monetary and Financial

Questions," was put down the subject of the existing inter-relationships of the various currencies and monetary standards of the Empire and the desirability and feasibility of taking steps to restore and stabilize the general price level and to stabilize exchange. A third heading was "Negotiation of Trade Agreements."

The *Agenda* were, in a general way, followed by the Conference which was opened in the House of Commons Chamber by His Excellency the Earl of Bessborough, Governor-General of Canada, with a gracious message from His Majesty the King, expressing the hope that the aims of the Conference would be attained. As their first official act the Empire delegates adopted unanimously a resolution of respectful devotion to His Majesty. On motion of Rt. Hon. Stanley Baldwin, Lord President of the Council of the Government of the United Kingdom and Conservative Party Leader, and seconded by Rt. Hon. Stanley Bruce, Prime Minister of Australia, the Prime Minister of Canada was elected Chairman of the Conference. Only the Plenary Sessions—two in number—were open to the public and the Press; the latter each day received from the Chairman of the Press Section, Hon. R. J. Manion, Minister of Railways and Canals for Canada, *Communiques* on the progress of the Meetings and, when adopted, Reports of the various Committees which had early been set up to study the many questions on the *Agenda*.

As head of the delegation of the inviting country, Mr. Bennett made the first address after the formal opening of the First Plenary Session, commencing with a welcome to the delegates and a review of developments which had led up to the calling of the Conference. He outlined in general terms the attitude of the Canadian Government toward the questions before the Conference and their proposals in respect of closer economic co-operation within the Empire and especially in respect of a reciprocal trade arrangement between Canada and the United Kingdom. He would, he said, re-submit in principle the proposal he had made at the 1930 Conference with such modifications as existing circumstances made advisable. He pointed out the hoped-for result of the Conference in the form of greater markets within the Empire, but emphasized the view that this did not mean in any sense world dissociation. Even one-quarter of the human race could not profitably shut itself off from contact with the rest of the world. He laid stress also on a question that was to assume a significant place in the later negotiations of the Conference—the necessity for providing safeguards against unfair state-controlled competition. "When we find our orderly progress opposed and when our social and industrial existence is threatened, it is our common duty to provide the safeguards which will leave us free to go forward on the course we have decided to be the right one. State-controlled standards of living, state-controlled labour, state-aided dumping dictated by high state policy, conflict in theory and in practice with the free institutions of the British Empire. The subordination of individual right and liberty to a national economic

plan affronts our whole idea of national development. We must be active in the defence of our institutions."

Mr. Bennett said Canada would propose that the United Kingdom should extend the principle of her existing tariff preferences to natural products and Canada on her part would be prepared to make the necessary adjustments in tariffs to secure the advantages which would come from this arrangement. "Those Canadian industries which now have reached maturity under protective tariffs and are competing in world markets must support this proposal because of the great advantages that are to be obtained for the exporters of natural products. And they will support it, for it is clear that to the country as a whole there will come, as a result, an increased prosperity in which they cannot fail to fully share." Accordingly, he proposed that the United Kingdom should have free entry into Canada for products which would not injuriously affect Canadian enterprise and the benefit of increased preferences on a selected list of commodities, and that Canada should be given in return a preference on those natural and processed products which comprised the most important part of her exports. More specifically, his proposal was: "On the assumption that measures will be taken to ensure that the effective operation of the agreement will not be impaired by the unfair competition to which I have referred, Canada proposes to grant to the United Kingdom: (1) extension of the free list; (2) retention of the existing preferences in favour of Great Britain, and (3) increased preferences in respect of a selected list of articles in which Great Britain is especially equipped to supply the Canadian market without injuring efficient Canadian enterprise. And in exchange Canada asks: (1) the retention of existing preferences, and (2) their effective extension to those other natural and processed products of which the United Kingdom is an importer."

Mr. Baldwin followed Mr. Bennett and for the United Kingdom delegation spoke of the trade relations within the Empire, the preferences which had already been extended between Empire countries, and the purposes of the Conference. He observed that in world trade the trend was toward larger units or groups with a view to overcoming the hampering effects of barriers of all kinds; that while no one suggested that complete free trade within the Empire was possible, yet the first aim of the Conference should be to clear the channels of trade among Empire countries, and for that purpose it was not necessary to measure too closely or too exactly the relative value of preferences given and received. If the problem were approached with a view to seeing how much each could contribute to the common stock without detriment to its own national interests, it would not be necessary to have concern for the relative advantages obtained by each, since increased purchasing power of any member of the Empire would add to the prosperity of all. He pointed to the importance of the United Kingdom's world trade to the other Empire countries, the purchasing power of the United

Kingdom depending on her ability to sell in world markets. He said that as a result of the Conference his delegation hoped that existing preferences could be maintained and ways found for increasing them; and that there were two ways of doing the latter—the lowering of barriers among Empire countries and the raising of them against others. Subject to local conditions, he thought the first course should be followed. "Let us, therefore, aim at the lowering rather than the raising of barriers, even if we cannot fully achieve our purpose now, and let us remember that any action we take here is bound to have its reactions elsewhere. His Majesty's Government in the United Kingdom, therefore, place before the Conference as its general objective the expansion of Empire trade, brought about as far as possible by the lowering of trade barriers as between the several members of the Empire."

The heads of all the other delegations delivered addresses, similarly indicating their views and attitudes toward the problems before the Conference. Subsequently, supplementary statements were issued by some of the delegations.

Trade Agreements. The most important achievement of the Conference was the execution of twelve inter-Empire trade Agreements on the basis of reciprocal preferences. The United Kingdom made seven Agreements, these being with Canada, Australia, New Zealand, South Africa, India, Southern Rhodesia, and Newfoundland. In addition to those with the United Kingdom, Canada made Agreements with South Africa, Southern Rhodesia and the Irish Free State. South Africa also made Agreements with the Irish Free State and New Zealand.

With regard to the Agreement between the United Kingdom and Canada, the Canadian Prime Minister said at the concluding Plenary Session of the Conference: "The Agreement between the United Kingdom and Canada has affirmed in principle the proposals made by the Government of this country upon the opening day of the Conference. On the one hand, Canada maintains existing preferences in the United Kingdom and secures the extension of that principle to our natural products. On the other hand, Canada balances these advantages by granting such tariff concessions as will place the United Kingdom manufacturers on a basis of fair competition with domestic industries, having regard, of course, to such factors as the relative costs of production. The operation of this principle is assured through the employment of the Tariff Board created last year by the Parliament of Canada, the function of which will be to conduct such inquiries as will enable Parliament to adjust tariffs on this basis, so that, compatible with reasonable protection to our industries, the consumer will enjoy the maximum benefits ensuing upon a broader exchange of Empire products. We have, moreover, decided upon the principle that this agreement must be safeguarded from unfair competition from foreign countries, and the United Kingdom, by the exclusion of such unfair competition, ensures effective operation of this agreement. These provisions offer an assurance against further attack upon our standards of living. The Dominion Government has, therefore, succeeded through reciprocal concessions in manifesting the principle that protection as we see it in this country can be used as an instrument of national policy to secure an equalization of benefits as between natural and manufactured products . . . This Government does not pretend that it has secured all the advantages it desired, nor does any delegation. Nor did it at any time venture to hope that at this first Empire Tariff Conference an agreement would be reached so comprehensive in nature as to provide a panacea for all our ills. To do

so would have been unreasonable. To do so, moreover, would have implied the acquiescence by the United Kingdom in a proposal which would have been so abnormally out of step with its traditional policy as to threaten the effective operation of the agreement. And no Canadian is prepared to ask for concessions which, similarly situated, he would be unprepared to grant, having regard to the adverse consequences which might follow on them."

Canada-United Kingdom Agreement. Under this Agreement, Canada was to secure the continuance of free entry into the United Kingdom of goods not affected by the Import Duties Act of 1932; new or increased preferences on wheat, butter, cheese, apples (raw and canned), pears, dried fruits, eggs, condensed milk, copper; continuance of the ten per cent. preference on timber of all kinds, fish, canned salmon and other canned fish, asbestos, zinc and lead. The outstanding new preferences in the foregoing were on wheat and copper—2 shillings a quarter on wheat or approximately six cents a bushel, and four cents a pound on copper. It was stipulated in the case of wheat, copper, zinc and lead, that the preferences might be withdrawn should Empire producers be unable or unwilling to offer these commodities in the United Kingdom at prices not exceeding world prices. Canada was to secure removal or modification of restrictions on the entry of her cattle into the United Kingdom. The latter agreed, in arranging for the quantitative regulation of the imports of bacon and ham, to make provision for the free entry of Canadian bacon and hams of good quality to a maximum of 2,500,000 cwt. per annum, and for continuance of the existing margin of preference on tobacco. Assurance against unfair competition in the British market from foreign countries was provided in an article in the Agreement which stipulated that if either Government were satisfied that any preferences in respect of any particular class of commodities were likely to be frustrated in whole or in part by reason of the creation or maintenance, directly or indirectly, of prices for such classes of commodities through state action on the part of any foreign country, that particular Government would exercise powers which they possessed, or would thereafter take, to prohibit the entry from such foreign country, directly or indirectly, of such commodities into their country for such time as might be necessary to make effective and to maintain the preferences granted.

Canada on her part increased the concessions to the United Kingdom on 220 items of the Canadian tariff schedules, either by addition to the free list of commodities previously dutiable at the British preferential rate or by lowering that rate, or by raising the intermediate and general rates. The items covered by these concessions and the terms of the concessions were contained in a schedule of the Agreement which was not to be made public until it was submitted to Parliament. The principal commodities affected, however, were iron and steel products, textiles, chemicals, flat glass, toilet accessories, gums, tableware and leather. In the case of iron and steel products the basis of tariff adjustment was the unofficial understanding reached between the iron and steel industries of the two countries. Canada agreed that protection by tariffs against United Kingdom products should apply only to industries which were reasonably assured of sound opportunities for success; she undertook also that the tariff should be based on the principle that protective duties should not exceed such a level as would give United Kingdom producers full opportunity of reasonable competition on the basis of the relative cost of economical and efficient production, provided that special consideration should be given to the case of industries not fully established. For the implementation of these undertakings Canada agreed: (1) to constitute forthwith the Tariff Board for which provision had been made; (2) to instruct the Board to make, at the request of the United Kingdom Government, a review of the duties on commodities specified in such request; (3) to invite Parliament, upon receipt of the Board's report, to vary, where necessary, the tariffs in a manner to give effect to the principles agreed upon; (4) to permit United Kingdom producers to have full

rights of audience before the Tariff Board; (5) to avoid, as far as possible, in the Customs administration, uncertainty as to the amount of duties and other imposts payable, and (6) to arrange that existing surcharges should be abolished as the finances of Canada allowed.

The Agreement, which was subject to ratification in legislation or otherwise as soon as practicable, was for a period of five years, and thereafter might be denounced on six months' notice.

Other Agreements. The Agreements between the United Kingdom and the other countries of the Empire were of a similar character to the one with Canada; those with Australia, New Zealand and South Africa contained schedules covering concessions to those Dominions on meats through quantitative regulation of imports, which schedules were for the moment kept secret. The terms of Canada's Agreements with other countries in the Empire were likewise withheld from publication until they were placed before Parliament.

The Conference passed a covering resolution dealing with all the Agreements in the following terms:

"The nations of the British Commonwealth having entered into certain Agreements with one another for the extension of mutual trade by means of reciprocal preferential tariffs, this Conference takes note of these Agreements and records its conviction;

"That by the lowering or removal of barriers among themselves provided for in these Agreements the flow of trade between the various countries of the Empire will be facilitated, and that by the consequent increase of purchasing power of their peoples the trade of the world will also be stimulated and increased;

"Further, that this Conference regards the conclusion of these Agreements as a step forward which should in the future lead to further progress in the same direction and which will utilize protective duties to ensure that the resources and industries of the Empire are developed on sound economic lines.

"The Agreements referred to are annexed hereto and the Conference commends them to the Governments of the several parts of the Empire."

Monetary and Other Questions. The Conference summarized its conclusions on the various questions covered in the *Agenda* and dealt with by Committees, and incorporated them in a Report of its proceedings. The conclusions with regard to monetary and exchange questions were designedly of a negative nature calculated not to be disturbing in their effect. The conviction was recorded that a rise throughout the world in general price levels was in the highest degree desirable; that the evil of falling prices must be attacked by Government and individual action; but that in its widest aspects the question required international action and that, in this, Empire Governments desired to co-operate. The Conference, recognizing the central position of the United Kingdom, recommended action in conformity with the views of the Government of that country which were: that a rise in gold prices offered the best possibility of a rise in sterling prices; that a rise in prices could not be affected by monetary action alone; and that an ample supply of short-term money at low rates would have a valuable influence. The Conference recorded the opinion that it was necessary that favourable monetary conditions should be achieved, not by the inflationary creation of additional means of payment to finance public expenditure but by an orderly monetary policy. It recognized the great importance of stability of exchange rates and believed that an international monetary standard should so function as to ensure not only staple rates but also the smooth and efficient working of the machinery of international trade and finance. However, as this postulated international agreement among the great trading nations, no recommendations were made by the Conference, which was of the opinion that among conditions precedent to the re-establishing of any international monetary

standard were: (1) a rise in the general level of commodity prices; (2) an adjustment of the factors, political, economic, financial and monetary which had caused a breakdown of the gold standard in many countries, and which, if not adjusted, would inevitably lead to another breakdown of whatever international standard might be adopted; and (3) international co-operation.

The Conference recommended investigation by individual Governments of the question of Empire content in relation to tariff preferences and urged a greater degree of uniformity throughout the Empire. It favoured the withdrawal of export bounties and special duties as a rise in price levels and the stabilization of exchanges permitted. With regard to commercial relations with foreign countries all the parties to the Conference were agreed that treaty obligations should not be allowed to interfere with mutual Empire preferences, and that foreign countries having most-favoured-nation treaties with Empire countries should not be allowed to override their obligations by regional agreements such as contemplated in connection with the Danubian states in the matter of cereal exports. On the question of Empire economic consultation and co-operation it was decided that a Committee should be appointed, representative of all the participating Governments, to consider means to this end, such Committee to report not later than May 31, 1933. Certain recommendations were made looking to co-ordination in the work of national standardization in industry, closer liaison being urged. Concerning industrial co-operation, the Conference expressed the opinion that the object of any policy in this connection should be to secure the best division of industrial activities among the several parts of the Empire and the ordered economic development of each part and it suggested more effective consultation among those engaged in particular industries. It recommended that the Governments of the Empire give sympathetic consideration to any proposals directed toward giving effect to the principle of industrial co-operation.

The Delegates. The following first group constituted a panel from which were drawn delegates to represent Canada at the Conference; delegates from the other Empire countries are also given in order:

Canada

Rt. Hon. R. B. Bennett, K.C., Prime Minister and Secretary of State for External Affairs
Rt. Hon. Sir George Perley, K.C.M.G., Minister without Portfolio
Rt. Hon. Arthur Meighen, K.C., Minister without Portfolio
Hon. Edgar N. Rhodes, K.C., Minister of Finance
Hon. H. H. Stevens, Minister of Trade and Commerce
Hon. Dr. R. J. Manion, M.C., Minister of Railways and Canals
Hon. E. B. Ryckman, K.C., Minister of National Revenue
Hon. Arthur Sauvé, Postmaster-General
Hon. C. H. Cahan, K.C., Secretary of State of Canada
Hon. Alfred Duranleau, K.C., Minister of Marine and Acting Minister of Fisheries
Hon. Maurice Dupré, K.C., Solicitor General
Hon. W. A. Gordon, K.C., Minister of Labour, Minister of Mines and Acting Minister of Immigration and Colonization
Hon. Robert Weir, Minister of Agriculture

United Kingdom

Rt. Hon. Stanley Baldwin, Lord President of the Council
Rt. Hon. Neville Chamberlain, Chancellor of the Exchequer
Rt. Hon. J. H. Thomas, Secretary of State for Dominion Affairs
Rt. Hon. the Viscount Hailsham, Secretary of State for War
Rt. Hon. Sir Philip Cunliffe-Lister, G.B.E, M.C., Secretary of State for the Colonies
Rt. Hon. Walter Runciman, President of the Board of Trade
Rt. Hon. Sir John Gilmour, BT., D.S.O., Minister of Agriculture and Fisheries

Commonwealth of Australia

Rt. Hon. Stanley M. Bruce, C.H., M.C., Minister without Portfolio
Hon. H. S. Gullett, Minister of State for Trade and Customs

New Zealand

Rt. Hon. J. G. Coates, M.C., Minister of Public Works, Transport and Employment
Hon. W. Downie Stewart, Minister of Finance and Customs, etc.

Union of South Africa

Hon. N. C. Havenga, Minister of Finance
Hon. P. G. W. Grobler, Minister of Lands
Hon. A. P. J. Fourie, Minister of Mines and Industries

Irish Free State

Mr. Sean T. O'Kelly, Vice-President of the Executive Council, Minister for Local Government and Public Health
Mr. Sean Lemass, Minister for Industry and Commerce
Dr. James Ryan, Minister for Agriculture

India

Sir Atul C. Chatterjee, K.C.S.I., K.C.I.E., I.C.S., Member of Council for India Office
Sir Henry Strakosch, G.B.E.
Sir George Schuster, K.C.S.I., K.C.M.G., C.B.E., M.C.
Sir George Rainy, K.C.S.I., K.C.I.E., I.C.S., late member of Council of Governor-General of India
Sir Padamji Pestonji Ginwala, K.T.
Mr. R. C. K. Shanmukham Chetty, M.L.A.
Sahibzada Abdul Samad Khan, C.I.E.
Seth Haji Abdullah Haroon, M.L.A.

Newfoundland

Hon. F. C. Alderdice, Prime Minister
Hon. L. E. Emerson, K.C., Minister of Justice

Southern Rhodesia

Hon. H. U. Moffat, C.M.G., Prime Minister
Hon. P. D. L. Fynn, C.M.G., Treasurer

The Secretariat of the Conference consisted of the following: O. D. Skelton, PH.D., Under-Secretary of State for External Affairs, Secretary to the Conference; J. E. Read, K.C., Legal Adviser, Department of External Affairs, Deputy Secretary to the Conference; Lieut.-Col. H. J. Coghill, Sergeant-at-Arms, House of Commons, Administrative Secretary; and, in addition, secretaries nominated by the several Delegations.

Parliamentary Ratification. Upon the conclusion of the Conference it was made known that the Canadian Parliament would be called to meet in the Autumn (1932) to consider the Agreements to which Canada had become a party and, if it approved, to implement them in legislation. It was the desire of the Government that action by the Canadian Parliament should be as nearly as possible at the same time as action by the Parliament of the United Kingdom.

Vice-Regal Activities in Canada

In July, 1931, new letters patent were issued by His Majesty King George V. affecting the Office of the Governor-General of Canada in accordance with recommendations of the Imperial Conference of 1926, which were subsequently adopted by the Parliaments of the Empire. In the new letters, as in the former ones, His Excellency was directed to carry out such instructions "as may from time to time be given him under our Sign, Manual and Signet" while the succeeding words were eliminated: "or by Order-in-Privy Council or by us through one of our principal Secretaries of State." The same deletion occurred in the document containing the King's instructions for the guidance of the conduct of the Governor-General and an item having reference to the grant of pardons by the Governor-General was also omitted.

On Aug. 14, the birth of a son to Her Excellency, Lady Bessborough, was announced. Rt. Hon. Sir Robert Borden acted by proxy for His Majesty the King as godfather to the infant who was christened George St. Lawrence Neuflize.

His Excellency made a ten days' tour of the Maritime Provinces, Sept. 28—Oct. 8. The trip, originally planned to occupy three weeks, had been

shortened, to exclude Nova Scotia, owing to the death of the Lieutenant-Governor, Hon. Frank Stanfield on Sept. 28. Brief visits were paid by Their Excellencies to Montreal and Toronto both before and after the New Year. Lord Bessborough was made the recipient of the Honorary Degree of Doctor of Laws (LL.D.) from the University of Ottawa on Dec. 10, 1931, and from the University of Montreal on Feb. 19, 1932.

Prior to the departure of the Countess of Bessborough for a short visit to England on Feb. 27, Their Excellencies spent two days in Halifax, Nova Scotia. Further visits to Montreal and Toronto were made in the Spring of 1932 and in May, Oshawa, Peterborough, Hamilton and London also had the honour of entertaining the Governor-General and the Countess of Bessborough previous to a few days sojourn in Montreal after which they spent six weeks in Quebec. The Honorary Degree of Doctor of Laws (LL.D.) was conferred on the Earl of Bessborough on June 16 by the University of Bishop's College, Lennoxville and on June 24, the Countess of Bessborough was made Doctor, *honoris causa*, of the University of Montreal.

Notable addresses delivered by His Excellency during the year ended June 30, 1932, included the following: to the Annual Convention of the Canadian Bar Association on Sept. 2, 1931, when he urged that the under-privileged should be able to obtain as efficient legal assistance as could those who were financially secure; to the Empire and Canadian Clubs at Toronto on Nov. 24, on the significance of the creation of equal status among Great Britain and the Dominions; to the Canadian Club at Halifax on Feb. 26, expressing his conviction that the foundation of Canada was strong and sound based as it was upon the character and outlook of its people; at the Annual Banquet of the Canadian Institute of Mining and Metallurgy on Apr. 8, stressing that the vast possibilities with respect to Imperial trade as reflected in Canada's mineral production, should become actualities through the approaching Imperial Conference; to the Canadian Club at London, Ont., on the prospective achievements of the Imperial Conference. In addition there were also addresses delivered to the various Universities throughout the Dominion.

High Commissioners' Offices

Hon. George Howard Ferguson, High Commissioner for Canada in Great Britain, spent an active year in the fulfilment of his official duties. According to the Report, for the calendar year 1931, of the Under-Secretary of State for External Affairs, Ottawa, the business transacted by the Office of the High Commissioner during that period included the administration of reparations and War debts accounts; arrangements for the interchange of naval, military and air personnel between the Canadian and Imperial Forces; the requisitioning of naval, military and air equipment and stores; the distribution of Government publications; the sale of Customs duty stamps; the interpretation of agricultural and other departmental regulations, and inquiries on particular matters such as Canadian legislation, passports, naturalization, the tracing of relatives, Customs duties, Succession duties, financial and business conditions, professional opportunities, shipments of Canadian cattle and outbreaks of foot and mouth disease, and, generally speaking, on all matters affecting Canada.

During the fiscal year ended Mar. 31, 1931, the aggregate expenditure, administered on behalf of departments of the Canadian Government by the High Commissioner's Office, amounted to $3,113,662. Reparation payments received for the Government totalled $6,415,773 and collections of principal and interest on post-War loans to various European Governments were $1,524,280. Other financial activities included arrangements for the issue, transfer, redemption and discharge of Grand Trunk Pacific New Debenture Stock representing some six and a half million dollars. Securities deposited

in London in accordance with the provisions of the Canadian Insurance Act, amounting, approximately, to another fifty millions of dollars, were also handled by the Office, entailing transfers, exchanges and renewals of all stock covered. Arrangements were made in London for the printing and issue of the prospectus and application forms relating to Canada's 1931 Conversion Loan, the necessary cancellation and conversion of bonds in this connection covering a sum of $1,762,300.

On Aug. 3, Mr. Ferguson, accompanied by Mrs. Ferguson, arrived in Canada for a two-months' visit, partly official and partly holiday. Following conversations between Rt. Hon. R. B. Bennett and Mr. Ferguson, the Cabinet, upon recommendation of the Prime Minister, decided that the High Commissioner should have charge, supervision and control over all officials in the Departments of Trade and Commerce, Immigration, Pensions and National Health, and Agriculture, stationed in the United Kingdom. An Order-in-Council to this effect was passed just previous to Mr. Ferguson's departure for England on Oct. 14, 1931.

A personal cable sent by the High Commissioner to Hon. George S. Henry, Prime Minister of Ontario, in reply to one received from the latter relative to the sweeping victory obtained by the National Government similar to that of Mr. Ferguson in Ontario in 1929, was severely criticized by Mr. Mackenzie King at a meeting of the Montreal Reform Club on Nov. 21. Mr. Ferguson's cable, jocular in tone, which read "When us Britishers has a job to do, we does it" was translated by Mr. King to mean that "in the mind of Canada's High Commissioner in London, the Conservative Parties of the two countries are allied and that they alone are entitled to a monopoly of the term 'Britisher.'" The utterance of such a sentiment, according to the Liberal Leader, should have resulted in Mr. Ferguson's recall from his post in London. (*The Mail and Empire,* Nov. 23, 1931).

Mr. Ferguson's promptness of action where Canadian interests were concerned was reflected in the immediate steps taken by him in January, 1932, upon reports that a group of members of the timber trade in Great Britain were endeavouring to negotiate an agreement with the Russian Soviet Government for the import of approximately 450,000 standards of Russian timber which was about one-quarter of the softwoods needed by Great Britain. The Canadian High Commissioner at once brought the matter to the attention of the British Government through the Dominion's office. "The question of timber (he said) will undoubtedly be an important factor in the negotiations for reciprocal trade relations at the forthcoming Imperial Conference, and I am greatly disturbed over the possibility of an arrangement such as this interfering with the success of that Conference. My information is that Russian timber is being quoted at distress prices which render competition utterly impossible." (*The Times,* London, Jan. 18, 1932). Rt. Hon. J. H. Thomas, Secretary of State for Dominion Affairs, in his reply to Mr. Ferguson, re-iterated a previous statement made by him in the House of Commons that no commitments of any sort would be made to hamper the free and open discussion of economic problems at the Imperial Conference; and added that no request had been received from any British group to protect a timber contract that might be made with the Soviet Government, and that the whole subject would be carefully investigated. Whereupon the High Commissioner asked permission to submit a draft covering the entire problem from the standpoint of Canadian timber interests. In spite of these efforts a contract was entered into with Russia by the Timber Distributors, Limited, in March, with terms as previously rumoured. The timber situation was severely criticized by Lord Lovat and became the centre of much comment in the British and Canadian Press when it was pointed out that, although Canada possessed approximately 90 per cent. of the Empire softwoods, she would in 1932 ship to the United Kingdom less than five per cent. of the latter's total requirements.

Mr. Ferguson paid a three-weeks' visit to Canada in April, 1932, in order to testify before the Senate Beauharnois Committee and the Ontario Hydro-Electric Power Commission Inquiry (See "The Province of Ontario"). During his visit the High Commissioner was enthusiastic in his predictions of the success of the Imperial Economic Conference which was to be held in July. Addressing an Empire Club Meeting in Toronto on Apr. 19, he stated that the achievement in the few weeks of the Imperial Conference of a tariff or reciprocal relationship covering every item affecting the Dominions and the British Isles would, of course, not be possible but it was expected that at least broad fundamental principles for future development would be laid down. The High Commissioner asserted that Canadian exports to the United Kingdom were very often unadapted to British needs and conditions caused by a seeming lack of: (1) appreciation of consumer's taste on the part of Canadian exporters; (2) standardization in most Canadian products; and (3) continuity of supply.

The High Commissioner in Canada for the United Kingdom, Sir William Clark, delivered several notable addresses throughout the period, 1931-32. In a speech to the University Club at Ottawa on Nov. 12, 1931, on the financial crisis in Great Britain which had resulted in the abandonment of the Gold Standard, Sir William emphasized the need of consultation and co-operation between central banks and governments, especially of the creditor companies, and declared that no nation, however wealthy, could go on borrowing to meet the deficit caused by lavish expenditure without impairing its credit. With regard to the steps taken by Great Britain to cope with the financial crisis, he stated that "the shock of drastic reorganization had passed off without disastrous consequences."

In an address delivered to the Montreal Branch of the Royal Empire Society on May 26, Sir William reviewed the history of Imperialism in the preceding century and expressed optimism on the results of the forthcoming Imperial Economic Conference. On June 8, at a luncheon of the Canadian Manufacturers' Association in Ottawa, the High Commissioner stated his belief that the best plan for the Imperial Conference was that "all concerned should seek to secure the maximum of mutual advantage together with the minimum of interference with one another's interest."

Imperial Incidents. The following were some of the more important Honours, and those of particular interest to Canadians, conferred by His Majesty the King during the year 1931-32: In November, 1931—a Viscountcy upon Rt. Hon. Philip Snowden, Chancellor of the Exchequer, 1924 and 1929-31; in the New Year's List—the title of Princess Royal upon Her Royal Highness Princess Mary (Countess of Harewood); a Viscountcy upon Rt. Hon. Lord Sankey, G.B.E., Lord Chancellor since 1929; the appointment as Dame of Grace of the Order of St. John of Jerusalem of Her Excellency, the Countess of Bessborough, wife of the Governor-General of Canada; in April, 1932—a Privy Councillorship upon Hon. Sir George Perley, Minister without Portfolio in the Canadian Government and head of the Canadian delegation to the League of Nations; in the King's Birthday List (June 3)—Knighthoods upon Charles Kingsford-Smith, famous Australian airman, who lived for a time in Vancouver, B.C.; and upon Robert Davis, inventor of a life-saving device for submarines; the appointment of Lady Baden-Powell, head of the Girl Guide Movement, as a Dame of the Grand Cross of the Order of the British Empire; the appointment of the Earl of Bessborough, Governor-General of Canada; Hon. Murray MacLaren, Minister of Pensions and National Health in the Canadian Government; and Colonel Sir Percy Sherwood, all as Knights of Grace of the Order of St. John of Jerusalem.

Sir Malcolm Campbell, British race-car driver, on Feb. 24, 1932, in his 12-cylinder car *Bluebird* at Daytona Beach, Florida, established a new speed record, 253.968 miles an hour over a mile route, over the world record he had instituted the previous year which was 245.733 miles. He also set new records

for a five kilometre distance of 247.941 miles and for a five mile route of 242.751 miles, the latter being 85.7 miles an hour faster than the old record of 152.9 miles established by M. Borzacchini at Cremore, Italy, in 1929.

The finals of the classic Diamond Sculls event at Henley-on-Thames, England, on July 4, 1931, were won for the second consecutive year by Canada in the person of Robert Pearce of Hamilton, Ontario, against F. Bradley of Pembroke College, Cambridge. The trophy had been secured the previous year by John Guest, Toronto.

The MacKinnon Challenge Cup for rifle-shooting was won from Canada by England at the July, 1931, meeting of the National Rifle Association at Bisley. England had a score of 1,056, Canada came second with 1,033 and Scotland third with 1,032. His Majesty the King's prize was won for the third time by England through Sergeant A. G. Fulton, late of the Queen's Westminsters.

In the Grand International Military Jumping Competition of the Royal Dublin Horse Show, Lieut.-Marshall Cleveland of the Governor-General's Body Guard, was awarded for Canada the championship for the best individual performance.

The record flight from Australia to England made by C. W. A. Scott in June, 1931, in 10 days, 23 hours, was surpassed by the Scottish airman, James A. Mollison in August, 1931, when he set a new record of 8 days, 21 hours. Mr. Scott wrested the title for a record flight from England to Australia by a few hours from the Australian, C. A. Butler, in April, 1932. Flight-Lieutenant G. H. Stainforth established a new world's aeroplane speed record on Sept. 30, 1931, when he broke his own record of 379 miles an hour by that of 408 miles. Bert Hinkler, the Australian airman, flew across the South Atlantic from Natal to Bathurst, on Nov. 26, in 22 hours. Mr. Mollison made another record in his flight from England to Capetown in March, 1932, in 4 days, 17 hours, as compared with the record of 5 days, 8 hours set by Miss Peggy Salaman and Gordon Store in November, 1931.

The first all-Australian direct air mail reached England from Australia on Dec. 16, 1931, after a stormy and hazardous journey of 24 days, twice as long as the time scheduled. On Jan. 20, 1932, the first regular air mail service between London and Capetown was inaugurated.

A tragic disaster occurred on Jan. 26 in the sinking, while in the act of diving, of the submarine M 2 off Portland, England, with 60 men on board. No trace of the missing vessel was found until seven days after, too late to save the 60 seamen, who could not have escaped death by suffocation for more than forty-eight hours.

The following were the Rhodes Scholars appointed for 1932 from Canada —Ontario: John Leslie Stewart and Dalton G. Dean; Quebec: Frederick M. Bourne and David Lewis; Nova Scotia: A. Gordon Cooper; New Brunswick: Joseph E. Nadeau; Manitoba: William L. Morton; Saskatchewan: E. Russell Hopkins; Alberta: Edward A. McCourt; and British Columbia: William T. Brown. Prof. C. K. Allen, Oxford, succeeded Sir Francis Wylie, who retired in July, 1931, as Oxford Secretary to the Rhodes Trustees and Warden of Rhodes House. During the months of June and July, 1932, Sir Francis Wylie, accompanied by Lady Wylie, made a trip across Canada as part of his round-the-world tour and discussed with former Rhodes Scholars and others interested, many topics concerned with the successful and useful administration of the Scholarships in the Dominion.

It was announced in December, 1931, that Harry H. Plaskett, Professor of Astrophysics at Harvard University, Cambridge, and formerly of Ottawa, had been elected to the Savilian Professorship of Astronomy, the leading scientific appointment at Oxford, to date from Jan. 1, 1932. E. R. Peacock, a Director of the Bank of England and Receiver-General of the Duchy of

Cornwall, formerly Senior House Master of Upper Canada College, was made a recipient of the Honorary Degree of D.C.L. from the University of Oxford in January, 1932.

Thirty-two students from English public schools enrolled in Canadian Universities in the Autumn of 1931 through the activity of the Anglo-Canadian Education Committee which was formed subsequent to a visit to Canada, in the Spring of 1930, of a group of headmasters of British Schools.

It was announced in June, 1932, that the balance ($36,000) of the Carnegie grant of $40,000 to the Universities Bureau of the British Empire made at the end of 1930, would be used to bestow three grants of £320 each during each of the four years from 1932-35 on selected members of the teaching and administrative staffs of Oversea universities to enable them to visit the United Kingdom in order to engage in advanced study, to pursue research work at Universities or to examine British University methods of organization and administration.

The discussions of the Empire Parliamentary Conference held at Bermuda, May 2-11, 1932, and attended by delegations from Great Britain, headed by Lord Askwith, and from Canada, headed by Hon. J. P. B. Casgrain, covered a wide range of subjects including currency, development of trade and of the Canadian Steamship service to Bermuda, communications, aviation, and a quota for British films. It was felt that benefits would ultimately accrue to all parties to the Conference as the result of the various expressions of opinion and the many recommendations suggested by the delegates.

The United Kingdom; A National Government

The resignation of the Socialist Government, the formation of a National Government, the suspension of the Gold Standard, and a General Election resulting in the return of the Government to power, were the most notable incidents of the year 1931 in the life of the British Nation; while the preparations for the Imperial Economic Conference at Ottawa, perhaps, overshadowed all else during the first six months of 1932.

A warning as to the critical condition of the country's finances and industries, after a year of World economic paralysis, was voiced by the Chancellor of the Exchequer (Rt. Hon. Philip Snowden) when presenting his Budget to Parliament on Apr. 27, 1931, during the Session which had opened on Oct. 28, 1930, while the Imperial Conference of that year was in progress. The Budget showed a Deficit of £23,276,000 on the 1930 Budget and a prospective Deficit of £37,366,000. No definite plan of reduction in expenditures was presented by the Chancellor of the Exchequer and the only means of taxation proposed were: (1) to levy a tax of one penny on capitalized value of land in 1933-34; and (2) to raise the petrol duty 2 d. per gallon. Mr. Snowden also proposed to transfer £20,000,000 from the Dollar Exchange Account to the Exchequer as an addition to the revenue for the year; and to collect 75 per cent. of the Income Tax due in January instead of 50 per cent. as theretofore—this acceleration of payment would yield an additional £10,000,000 to the revenue of the year. The Chancellor of the Exchequer intimated that the finances of the next year might present difficult problems; that if the World depression failed, meanwhile, to lift, reduction of expenditures would be the only alternative to increased taxation. He advised the House to take into careful consideration the proposals that might be contained in the Reports of the Economy Committee and the Unemployment Insurance Commission. The former body had been set up by the House two months previously; its function was to advise the Chancellor of the Exchequer as to ways and means of effecting all possible reduction of expenditure of Supply Services.

The Interim Report of the Royal Commission on the Unemployment Insurance Fund, issued in June, 1931, showed that the outstanding debt of

the Fund was £82,810,000; that the income of the Fund was little more than 50 per cent. of the expenditures on a live register of 2,500,000, the deficit being therefore, £39,450,000; and that the additional cost of transitional benefit for a full year was estimated at £35,000,000. The seriousness of the situation was emphasized by the Commission in its drawing attention to a statement made some time before by the Comptroller of Finance and Supply Services in which it was claimed that "continued State borrowing on the present vast scale without adequate provision for repayment by the Fund would quickly call in question the stability of the British financial system." The Report added that if loans to the Unemployment Fund were included the total State contributions to social services for 1930-31 would be raised to approximately £195,000,000 and that the contribution to Unemployment Insurance alone would be £73,000,000 or 37 per cent. of the whole. (For further particulars of the Interim Report see *The Canadian Annual Review, 1930-31*, page 331). The introduction by the Government of the Anomalies Bill, designed to meet some of the Royal Commission's criticisms, represented, according to *The Times* (July 6), the whole fruit of tardy Government repentance and "judged as a measure of atonement for the crime of allowing a great social service to degenerate into a national scandal, fatal alike to the reputation and to the finances of the Nation" the Bill was "miserably insignificant." It was shown by figures that the enactment of the Bill would only save something under 5 per cent. of the total cost of unemployment.

The Debate on the Finance Bill which embodied the Budget proposals was a contentious one. Previous to its receiving the Royal Assent, Rt. Hon. Neville Chamberlain (Unionist), in moving the rejection of the Bill, stated that the measure did not provide the resources necessary to balance the Budget. Out of the prospective Deficit of £37,500,000 only £7,500,000 was provided by the Bill. Even when they had added the £10,000,000 which was to be obtained by "squeezing the income taxpayers of the smaller class, and the £20,000,000 which was to be obtained by raiding the Dollar Exchange Fund," the country was not paying its way. Mr. Chamberlain contended that the Chancellor of the Exchequer had omitted all reference to what was the most vital point about the financial situation—the relation between the Unemployment Insurance Fund and the National Exchequer.

Before the adjournment of Parliament for the Summer Recess at the end of July, the Report of the Banking and Finance Committee, which had been appointed in July, 1929, under the Chairmanship of Lord Macmillan, was made public (July 13). The Report, signed by all Members except Lord Bradbury, dealt minutely with monetary systems and monetary policy, with the policy of the Bank of England and with proposals relating to international financial action and to home investments. It urged the maintenance and more satisfactory working of the international gold standard, asserting that "the practice of international banking and associated services" was one of Great Britain's most valuable sources of income and one of her most important export industries. It opposed devaluation of currency and recommended the raising and the stabilization of the international price level, stating that the only difficulty to be overcome in the former case was that of securing adequate co-operation among the Central Banks. According to the Committee, "the economic difficulties of the post-War decade are primarily due, not to any wanton misbehaviour on the part of the monetary factors themselves, but to unusually large and rapid changes on the part of what are rightly described as non-monetary phenomena," namely: (1) the unusual instability of the demand for capital; (2) War debts; (3) the rapidity of technical changes in manufacture and production; (4) the shifting character of demand; (5) rigidity of wage rates; (6) the growth of tariffs; (7) the embarrassment of Budgets; and (8) violent changes in speculative activity in New York and elsewhere. The Committee recommended as emergent steps toward restoring the international price level, a greater willingness to buy and to lend on the part of creditor countries, the former to result from "a revival of enterprise and investment" within those countries and the latter to permit "an increase

of purchasing power and a recovery of consumption, to the accompaniment of a revival of capital expansion in the debtor countries"; co-operation and consultation among the creditor countries; the making of foreign loans on a greater scale than in the previous two years; and the resumption of long-term investment, a proceeding rendered difficult by the general unprofitableness of industry. Proposals of the Committee in the domestic sphere included the increase by the Bank of England of its fiduciary issue (the regulations of which under the Act of 1928 unnecessarily immobilized a large quantity of gold) to an absolute maximum of £400,000,000 subject to modification, and the maintenance by the Bank of a statutory minimum reserve of £75,000,000.

The Economy Committee; A National Government. On July 31, the eve of the adjournment of Parliament, the Economy Committee on National Expenditure, composed of five leaders of the business world with Sir George Ernest May, the former Secretary of the Prudential Assurance Company, at their head, and two representatives of Labour, issued their Report which was concurred in by the majority of the members, a Minority Report being drawn up by the two dissenting Labour representatives. The Majority Report recommended drastic economies in all Services. It estimated that, in 1932, assuming the usual provision for the redemption of debt, the gap between the Revenue and Expenditure would be no less than £120,000,000. It suggested economies totalling £96,578,000, of which sum £66,500,000 came under the heading of unemployment insurance. Other proposals were as follows: that Education Estimates be reduced by £13,600,000; that by a slowing down of schemes, £7,865,000 could be saved on the Road Fund; a saving of £2,190,000 by the introduction of 1925 rates of pay for all personnel of the Fighting Services; a saving of £1,000,000 on National Health Insurance; a saving of £400,000 by the abolition of the Empire Marketing Board; and a saving of £500,000 on the Estimates of the Ministry of Agriculture. Other recommendations included the abolition of the contemplated development of the Maternity Service at a cost to the State of £1,500,000; an examination into the possibility of lessening Naval Defence cost without endangering national security; and the cost of the Department of Overseas Trade to be recovered from those who benefited. One observation made by the Committee was that outstanding subsidies were intractable items in the National Expenditure and even if the Services were immediately closed down the taxpayer must continue for many years "to provide large sums annually to liquidate past commitments." Apart from subsidies, there were pensions and, the Report stated, that in all these except War pensions there was an accruing liability, greater than the current charge, and that all together, "we are at present enjoying benefits for which we are not providing the cost. To the extent of about £20,000,000 a year we are leaving that cost to posterity." The Committee referred to the unequal struggle between expansion and retrenchment: "so heavily loaded are the dice in favour of Expenditure that no representation we can make is more important than to emphasize the need for caution in undertaking any commitments of a continuing character." The Committee spoke of the "lavish promises contained in the election addresses of the period since the War" also, "undertakings freely given by individual Parliamentary candidates to sections of the electorate." Particularly serious was "this danger at the present time, when the mass of the electorate still does not appreciate the true economic position of the country and its problems." Finally the Committee emphasized that "the general effect of Government action, national and local, since 1924, has been to add to the national burdens. These have now attained to such a proportion of the total national income that they must be considered definitely restrictive of industrial enterprise and employment."

Government action following the presentation of the Report was the appointment of a Sub-Committee to study, during the Summer Recess, the economy proposals. It was made up of the "Big Five" of the Cabinet: Mr.

MacDonald (Prime Minister), Mr. Snowden (Chancellor of the Exchequer), Mr. Henderson (Secretary of State for Foreign Affairs), Mr. Thomas (Secretary of State for the Dominions), and Mr. Graham (President of the Board of Trade). It was understood that the Sub-Committee would meet at the end of August in London.

The Report of the Economy Committee created widespread discussion. *The Times* declared that if the principle of the Majority Report were not accepted some alternative would have to be provided; that the basis of a successful conversion operation was a balanced budget; and that a substitute plan—repudiation by inflation "after which the Minority Report seems to hanker both in its toleration of budgetary insolvency and in its attack on the return to the gold standard" was "sheer dishonesty"; that Mr. Snowden could not indefinitely evade the fact, as he had done in the House, that a Debt incurred to pay unemployment benefit was not a national debt and should not appear in the national accounts. The same paper, in an editorial on the day before the Report was made public, had called attention to the profoundly disquieting change that had taken place in the standing of Great Britain in the eyes of the world, in itself only a reflection of an equally disquieting change in "our economic and financial position." "The events of the last few weeks, and even of the last few days," it stated, "have shown that British credit is no longer a fortress made impregnable by the two bastions of the solvency of our industry and commerce and the honesty of our national finance. Our credit balance for investment overseas declined from £138,000,000 in 1929 to £30,000,000 in 1930, and to-day appears likely to disappear completely during 1931 . . . The productivity of our basic trades is steadily declining. According to the Board of Trade figures, the general decline in 1930 as compared with 1929 amounted to 7.6 per cent., but was 22 per cent. in the iron and steel trade and 20 per cent. in the textile trades; and the latest statistics issued by Lloyd's Register of Shipping are, in the words of our Labour Correspondent, 'the worst that are remembered.' The number of the unemployed on the live register is 2,660,000, and is within 31,000 of the highest total ever recorded . . . As for the national finances, the balance on the right side last year was only £8,000,000, and one competent authority has just estimated that the balance on the wrong side this year will be at least £50,000,000. Every figure and forecast bears all too eloquent testimony to the fact that as a nation we are living beyond our means. Foreign countries know it, and that is why British credit abroad is not steadied by the repetition of unexceptionable phrases about the determination of this country to co-operate with others in facing the world-wide economic crisis." Speaking of the two bodies created to advise the Government during the desperate struggle toward national solvency, *The Times* continued, "the Commission (Unemployment) recommended a scheme, whose drastic character was amply excused by the Government's own plea of emergency, for reducing the cost of unemployment by £30,000,000 a year. The Government responded with legislation which cannot save a tenth of that sum. They and their Liberal allies have spurned the first great chance of facing the facts. A second chance is about to be offered them in the Report of the Economy Committee. It is confidently stated that that Committee has completely falsified Mr. Snowden's contemptuous forecast of their work, and will suggest economies totalling the substantial sum of some £90,000,000 a year. Such a result could necessarily be achieved only by a complete reversal of the present policy of enlarging existing avenues of expenditure and of inventing new avenues. It would involve the silencing of the excuses, so far favoured by Socialist and Liberal apologists, that the vast distribution of public money is an insurance against social upheaval."

Two views as to the feasibility of the proposed reductions were given by *The Spectator* and *The New Statesman and Nation.* The former stated that the warnings of the Committee "cannot be ignored. But is it politically possible for any Government, least of all a Labour Government, a Government, moreover, with a Trade Union Congress and a Labour Party Conference to face before Parliament meets again, to impose the burdens required?

. . . The gravity of the problems that situation raises needs no emphasizing. There is only one path of national safety, and both Mr. Baldwin and Mr. Neville Chamberlain have shown that they recognize it. Whatever unpopularity attaches to the imposition of new taxation or the reduction of existing benefits must be shared by all Parties equally . . . Measures of self-help to which Germany and Australia are proving themselves equal are not beyond the capacity of this country." *The New Statesman and Nation* was of the opinion that the plan presented by the Economy Committee would not be adopted "in its entirety; neither this Government nor any other—not even a 'National Government'—could carry it, and Sir George May and his friends can hardly be so naive as to think it feasible. But the sinister thing is that they think it desirable. They call it an effort to 'save democracy from shipwreck.' Does it not look rather more like an effort to save oligarchy from taxation?"

Francis W. Hirst, who had been responsible, with Sir Hugh Bell and others for the founding, shortly after the World War, of the Public Economy League, declared, in an interview to *The Observer* (Aug. 2) that the Economy Report was the most impressive and persuasive contribution to the subject of Economy which had been presented to the nation since the Geddes Report (The Public Economy League had assisted in directing the economy movement which resulted in savings by Treasury action and through the work of the Geddes Committee to the extent of about £200,000,000). Mr. Hirst thought, however, that the Committee's recommendations, by comparison with the analysis of the Deficit and its causes, were disappointing and altogether inadequate: "I notice that the vast expenditure of £66,000,000 on the salaries and wages of civil servants is not to be touched . . . The national revenue is a deduction from the aggregate incomes of the individuals who compose the nation. It is taken in the form of direct and indirect taxation. This deduction reduces the total purchasing power of individuals and it also reduces the supplies of capital available for industrial enterprise and development. Here you have a simple explanation of the apparent paradox that while trade and dividends and the incomes of nearly all classes, except those who draw their salaries and wages from the taxpayers and ratepayers, have been declining, taxation and public expenditure have been rising." He pointed out that bad trade was partly due to excessive taxation; that it was one of the principal causes; and that, if continued, the rise in taxes would result as it often had done before and as "is now being done in Australia and Germany in an actual decline of revenue."

Other favourable criticism of the Report also contained reservations; it was claimed that it was not sufficiently drastic; that it covered too narrow a field; that it had left whole areas of national expenditure, which could bear the pruning knife, untouched; that out of a total saving of £96,000,000 no less than £88,000,000 was drawn from three sources only—unemployment, education and roads. That the Government would obtain considerable support from the Opposition was evidenced by speeches made during the week following the adjournment of Parliament. Mr. Stanley Baldwin (Leader of the Conservative Party) stated that "if the Government are determined to make a great effort to restore financial equilibrium at home they will then have the support of His Majesty's Opposition but the responsibility is the Government's." Sir John Simon, Leader of the Liberal "Simon Group" in the House of Commons, stated that if the Government entered upon "a national and all-embracing effort to reduce expenditure" they were entitled to have the goodwill and the co-operation of all Parties in Parliament. Speaking of the gap of £120,000,000 between Revenue and Expenditure he expressed his doubts as to the Government's capability of effecting economies on the scale that would be needed. "Socialism is a creed which believes there is a positive virtue in spending public money. The doctrine of the bottomless purse will only land us in the bottomless pit," he declared.

Meanwhile, the Economy Report had become, as afterwards stated by the Prime Minister, "a document of international importance," and, coupled

with the widespread publicity given to the steadily increasing numbers of unemployed, was creating abroad a feeling of uneasiness. The bank failures in Austria and Germany had effected other foreign countries and deposits that they had placed in Great Britain for security were being withdrawn in order to increase their own liquid position. The hurried assembling on Aug. 12 in London of the Sub-Committee of the Cabinet, weeks before the date previously arranged, indicated the seriousness of the situation. Conferences of the full Cabinet, all the members of which had curtailed their holidays, followed the meetings of the Sub-Committee and, later, the Leaders of the other two Parties joined in the discussions. The immediate need of the Government was to secure credits in foreign currencies in order to prevent the depreciation of the pound but this could not be obtained until the Budget had been balanced and the Government realized that unemployment finances had to be put on a sound basis. The week-end of Aug. 22-24 was a period fraught with anxiety to a waiting nation. The series of political conferences up to this time had produced no statement from the Government with the exception of one issued on the evening of Aug. 22 to the effect that plans were being discussed under which it was expected the Budget would be balanced. On Aug. 20 the General Council of the Trade Union Congress and the National Executive of the Labour Party had met to discuss the financial situation; and before these two bodies, it later became known, the Government laid their plans. The Executive of the Labour Party decided to support the Government but the Council of the Trades Union intimated that it could not countenance any reduction in the dole contemplated by the Government. Rumours were rife at this juncture of a scheme being under way for a revenue tariff. The unexpected return of the King from Scotland was a forecast of the announcement that was to come of the resignation of the Socialist Government; it was well understood that His Majesty had taken a sympathetic and valuable part in the proceedings of this critical period and, that previous to his return to London he had been in constant communication with his Ministers. In the afternoon of Aug. 24, after a two hours' audience in the morning with His Majesty at which Liberal and Conservative Leaders were also present, the Cabinet met and adjourned; then the Prime Minister departed for Buckingham Palace. Upon his return it was announced that the Government had resigned and would be succeeded by a non-partizan emergency Administration to be headed by Mr. MacDonald. The next day (Aug. 25, 1931) the principal appointments of the new National Government were announced; they were:

Prime Minister and First Lord of the Treasury	Rt. Hon. J. Ramsay MacDonald
Lord President of the Council	Rt. Hon. Stanley Baldwin
Chancellor the Exchequer	Rt. Hon. Philip Snowden
Secretary of State for Home Affairs	Rt. Hon. Sir Herbert Samuel
Lord Chancellor	Rt. Hon. Lord Sankey
Secretary of State for Foreign Affairs	Most Hon. the Marquess of Reading
Secretary of State for India	Rt. Hon. Sir Samuel Hoare
Secretary of State for Dominion Affairs, Secretary of State for the Colonies	Rt. Hon. J. H. Thomas
Minister of Health	Rt. Hon. Neville Chamberlain
President of the Board of Trade	Rt. Hon. Sir Philip Cunliffe-Lister

and other Ministers.

[MacDonald (Labour); Baldwin (Conservative); Snowden (Labour); Samuel (Liberal); Sankey (Labour); Reading (Liberal); Thomas (Labour); Chamberlain (Conservative); Cunliffe-Lister (Conservative); and Hoare (Conservative).]

It was publicly announced by Mr. Baldwin, Conservative Leader (Aug. 24), that the National Government "is being formed . . . to deal with the national emergency . . . when that purpose is achieved the political parties will resume their respective positions." Sir Herbert Samuel, acting Leader of the Liberal Party during Mr. Lloyd George's illness, had been present, in that capacity, during the several conferences before the Socialist Government's resignation. The only members of the Cabinet who had supported the Prime Minister, it afterwards became known, were Mr. Snowden, Lord Sankey, Mr. Thomas and Lord Amulree.

Commenting on the resignation of the Government, *The Times* pointed out that it was an interesting, dramatic and logical fact that "the Labour Government has fallen in what has always been the acid test of democracy—namely, the capacity of its leaders to tell the people the truth and not to regulate their policy by the votes that it would bring. That is the test which Mr. MacDonald, Mr. Snowden, and those who supported them have triumphantly survived . . . The secessionists are frankly those who dare not stand on a platform and expound a policy which they know to be necessary to the country. The proposal against which they rebelled was to fix the rate of unemployment benefit at a real value of over 2s. a week more than in 1928 and of over 4s. a week more than they themselves tolerated in 1924. The proposal was an ineradicable part of the minimum of retrenchment necessary to restore confidence in sterling. It is understood that the original scheme approved by the whole Socialist Cabinet for submission to the Opposition parties and to the Trades Union Council contained measures at least equally drastic. The rebellion of the dissentients is, therefore, nothing less than ignominious, because it clearly originated in opposition manifested outside the Cabinet."

The Prime Minister, from 10 Downing Street, explained on Aug. 26 in a radio speech to the nation, why it had been impossible for him to carry on any longer with his Labour Ministers. He stated that he had at the moment not changed any of his beliefs or any of his ideals; that it was quite true that he had no Labour credentials for what he was doing and that he did not plan to have them, although "I am certain that in the interests of the working classes I ought to have them." He stated that he had the credentials of a higher authority, that of national duty, as he conceived it and that he obeyed these irrespective of the consequences. In reviewing the financial emergency which had arisen in Great Britain during the previous two weeks, Mr. MacDonald did not go into the details which were given by him later, on Sept. 8, when in view of the "financial crisis" both Houses had been summoned to meet instead of Oct. 20, the date which had been provisionally fixed for the resumption of the Session. The Prime Minister explained to the House that between July 13 and 30 the Bank of England had lost £34,000,000 in gold; that when he and his colleagues had returned to England from their interrupted holidays there had been consultations with the Cabinet, with Leaders of the other Political Parties and with representatives of the Bank. Temporary credits were arranged to supplement the loss experienced by the Bank in order to save gold, but by the third week in August these were practically exhausted—the Bank was down again on gold and a further loan was required to keep sterling from tumbling off gold. The position was that there was something like a typhoon approaching and unless they could avert it, it would pass over them leaving widely-strewn wreckage behind. The problem was to restore waning confidence to stop the drain, to secure the loan necessary to give them a chance to rebuild their defences. He denied that there was any truth in the rumours as to "a bankers' plot" in international finance—an attempt from the City to control political policy.

The Emergency Budget. The Chancellor of the Exchequer (Mr. Snowden) presented his Emergency Budget, Sept. 10, 1931. It foreshadowed a Deficit of £74,679,000 on the Budget for 1931-32 and of £170,000,000 on the Budget for 1932-33. To assist in meeting the Deficit of the Emergency Budget, the Chancellor of the Exchequer proposed economies amounting to £22,000,000 in 1931-32 and to £70,032,000 in 1932-33 or a total of £92,032,000. These reductions were made up principally of the following: salaries of Ministers, Members of Parliament, Judges, Civil Servants and members of Defence Services, £4,534,000; Defence Services (other than reductions of pay and pensions), £5,000,000; Education, £10,300,000; Health Services, £1,250,000; Unemployment Insurance (including reduction of expenditure, £25,800,000, and increase of contributions, £10,000,000), £35,800,000; Road Fund, £7,865,000.

The reduction of the Sinking Fund was shown by the following amounts: 1931-32, £13,700,000; 1932-33, £20,000,000. Total economies were estimated at £125,732,000. The yield of additional revenue was estimated to be £122,000,000, made up of: Income Tax and Surtax: in 1931-32, £29,000,000, in 1932-33, £57,500,000; and Custom and Excise: 1931-32, £11,500,000 and 1932-33, £24,000,000. Mr. Snowden stated that the Finance Bill would include clauses designed to facilitate the conversion of the 5 per cent. War Loan to a lower rate of interest and while holders would be allowed three months' notice in which to dissent to the conversion operation the Treasury wished to have the authority of Parliament for providing that if they did not dissent in three months it would be considered as consent. He pointed out that such a conversion in its magnitude was by far the greatest thing that had ever been undertaken in the history of the world; that the existing position was difficult but that it would have been clearly impossible to have undertaken in the previous June or July the risk of having to find £2,000,000,000 to pay off that debt; that the proposals were admittedly drastic and disagreeable but to balance a Budget with a Deficit of £170,000,000 and to spend as they were doing in 1931-32, at the expense of the Exchequer, something like £100,000,000 for the relief of unemployment, was an achievement which no country in the world had ever attempted.

Particulars were given of the British Treasury credits arranged in the United States and in France since the incoming of the new National Government. Both credits ran for a period of twelve months and were for maximum amounts equivalent to £40,000,000 in each case; the Chancellor of the Exchequer explained that the Bank of England would not participate in the cost of the credits—they would be borne by the Exchequer as in the case of all other British Government loans as the credits were for the purpose of maintaining the credit of the country. Subsequently, the Finance Bill, embodying the provisions of the Budget, and the National Economy Bill, authorizing the making of Orders-in-Council for the purpose of effecting economies in expenditure in certain services, both received the Royal Assent.

Suspension of the Gold Standard. Notwithstanding the great accomplishment in the balancing of the Budget the National Government were called upon to render a decision of dramatic and far-reaching importance a little more than a week later, when legislation was introduced for a temporary amendment of the Gold Standard Act, 1925. Incidents which led up to this action in Great Britain included the unfavourable balance of trade; further withdrawals of deposits by foreign countries; and, finally, a new outbreak of panic caused by reports of unrest in the Navy—a certain section of the Atlantic fleet, following the proposals for reductions in naval pay, refused duty; their action was deeply resented by the Navy generally. It was stated by the Chancellor of the Exchequer (Mr. Snowden) on Sept. 21, when moving the Gold Standard Amendment Act, that "during the last two months" they had lost in gold and foreign exchange more than £200,000,000 apart from agreeing, as a result of the London Conference, to lock up £70,000,000 of their assets in Germany; that on Sept. 19 the position had become so serious that it was quite evident that it could no longer be dealt with except by suspending the Gold Standard Act; that the Government had consulted the banks as to the origin of the heavy sales of sterling and the banks assured them that, as far as they could judge, the selling was predominantly on foreign account and that there was no evidence of any substantial export of capital by British nationals. It was frequently suggested, Mr. Snowden continued, that they could have met the drain on their exchange by mobilizing their holdings of foreign securities as was done during the War. The Government were satisfied, however, that the position "at present was substantially different" from what it was at that time and that such resources as they might have been able to obtain would not have materially affected the drain. At the same time those securities might well prove a reserve for the support of the exchange in the situation which had arisen. He stated

that the Government of Great Britain had been quite willing to discuss the question of co-operation between central banks as to the unequal distribution of the world's supply of gold but it had been made abundantly clear to them that such a proposal would not have been welcome to other Powers. He spoke of the part Great Britain had played in the reconstruction of the world after the Great War and of how as a nation she had set an example in meeting her obligations and that, if she had failed, it was because she had undertaken a burden too heavy to bear. He drew attention to the acquirement by France and the United States of three-quarters of the entire world's supply of gold which they locked up in their vaults where it was largely sterilized and useless for the purpose of promoting international trade. Speaking of the world-wide panic on the part of the investment markets, Mr. Snowden declared that the whole world seemed to be bent upon selling securities for cash and denying the possibility of the existence of credit. He believed that the effects on their exchange of the steps the Government were proposing in going off the gold standard might be serious yet he believed they would be temporary and those who had confidence in sterling would not find their confidence misplaced. "I think," he continued, "we are entitled to look for some recognition on the part of other creditor countries of their responsibility for the present situation. Firstly, the world must learn that the existing economic system cannot be maintained if everybody tries simultaneously to liquidate their investments. This is playing fast and loose with the delicate machinery of credit. It may be, as I said, that the present crisis will pave the way to better international co-operation, but its immediate effects may be at least as serious for the countries which have been dependent on London for credit as they may be for ourselves; and there is a risk, of course, that for a time the machinery of international credit may be dislocated." (*Journal of the Parliaments of the Empire*, October, 1931).

The bewildering announcement of Great Britain's abandonment of the gold standard created no panic but its repercussions were widespread. The London Stock Exchange remained closed all day Monday, Sept. 21, and foreign Exchanges at Berlin, Bombay, Calcutta, Stockholm, Hamburg, Paris, Amsterdam, Tokio, Brussels, Antwerp and Geneva followed London's example. Commodity prices rose in London but declined in New York; there was a rise in the shares of gold-mining companies, due to the creation of a premium on the statutory price of gold; industrial shares and home railway stocks showed an increase, an indication of the expectation that trade would improve; and iron and steel shares benefited from the hope of a tariff. (See Sections: "International" and "Finance," in this volume). Immediate steps were taken to prevent food profiteering by the passing by Parliament of a measure to that effect and from the Treasury was issued an order, in pursuance of the new Act, prohibiting, until further notice, the purchase of foreign exchange or transfer of funds by British subjects or persons resident in the United Kingdom except for the purpose of completing contracts existing before Sept. 21.

The General Election, October, 1931. Rumours of a General Election had preceded the dissolution of Parliament on Oct. 7; the official announcement had been made by the Prime Minister on the 6th that the country would go to the polls three weeks later. Controversial issues, which had been put aside for a short period, had sprung up when it became evident that the Government must turn their attention to the restoration of the country's trade balance. The Conservatives desired tariffs as part of the programme of national reconstruction, but the official Liberals were against them. Sir John Simon and his Liberal group in their tariff advocacy had been receiving steadily increasing support. The Labour Opposition, led by Mr. Arthur Henderson, had announced their platform on Sept. 25. With regard to domestic affairs, it was as follows: (1) abandonment of the main proposals contained in the Economy Bill; (2) protection of the exchange

position; (3) some power of control over the banking system; (4) machinery to prevent profiteering; (5) public ownership over the control of the many industries and services. In the International sphere the Party called for: (1) an end to the state economic war into which the world had fallen; (2) finding means to make the nations start lending again; (3) promotion of peace and disarmament.

A Liberal Free Trade *Manifesto* claimed that it was the opinion of leading economists that so long as the country was off the gold standard the argument for tariffs, so far as it was based on the unfavourable state of the country's exchanges, no longer existed. "Once the exchange is free to fluctuate the trade balance rights itself automatically," it stated. "If imports exceed exports then the exchange moves downwards. This makes imports dearer for us and our exports cheaper to the foreigner . . . . The only popular argument for protection is that tariffs would give more employment." And it stated that the answer to this was that most of the employed were in trades like cotton, coal, building, shipbuilding and shipping, in which it was obvious that a tariff might do much harm but could not do any good. The *Manifesto* pointed out that during the Great War free trade Great Britain financed its protectionist Allies. As to British agriculture it was "bound to suffer from a tariff drawn up by manufacturers." The *Manifesto* of the Prime Minister and his colleagues was termed, throughout the Election, as "the doctor's mandate." In it was the demand of the Government for freedom to consider every proposal likely to help to bring about the readjustment of conditions, such as tariffs, expansion of exports and contraction of imports; commercial treaties and mutual economic arrangements with the Dominions. Mr. Baldwin (Lord President of the Council and Conservative Leader) endorsed the Prime Minister's mandate and at the same time enlarged on the question of *quotas* as a help to agriculture. A *Manifesto* issued by Sir John Simon, declared that the Liberal Party of which he was Leader, would give whole-hearted support to the Prime Minister.

The National Government were returned to power by an overwhelming majority on Oct. 27, 1931; every Member of the Cabinet was returned and 554 out of 615 Members of the House of Commons were definitely pledged to support the Government. It was a sweeping victory for the Conservative (Unionist) Party; not a single seat was lost and 471 Members were elected, a gain of 208. Only three followers of Mr. Lloyd George's Party were elected: Miss Megan Lloyd George, Major G. Lloyd George and Major G. Owen. Among the prominent Labour candidates defeated in the Election were the following Members of the former Labour Ministry who had refused to support the Prime Minister in the nation's emergency: Mr. Henderson, Mr. Clynes, Mr. Graham, Mr. Greenwood, Mr. Tom Johnston, Mr. Adamson, Mr. Herbert Morrisson, Mr. Wedgewood Benn, Mr. Alexander, Miss Bondfield, and Mr. Thomas Shaw. Mr. Lansbury was the only Labour Ex-Minister who was successful at the Election. Sir Oswald Mosley, Socialist and Leader of the new Party, was defeated in Stoke-on-Trent. Sir Herbert Samuel succeeded Lloyd George as Leader of the Liberal Party, upon the latter's resignation; and Sir John Simon was Leader of the National-Liberals.

The standing of the Parties after the 1931 Election was as follows: Unionists, 460; Labour, 52; National Liberals, 35; Liberals, 33; National Labour, 13; Ulster Unionists, 11; Independents, 5; Independent Liberals (Mr. Lloyd George), 4; and Irish Nationalists, 2. The Party strength after the General Election of 1929, was (*The Times*): Labour, 287; Unionists, 260; Liberals, 60, Independents, 8. Following the formation of the National Government, a re-grouping of the Parties took place. Reckoning two vacant seats as Labour seats, the position at Dissolution was: Unionists, 263; Labour, 265; Liberals, 58; National Liberals, 15; and Independents, 14.

The new Cabinet, comprising representatives of the Unionist (Conservative), Liberal National, Liberal, and National Labour Parties, was composed as follows:

Prime Minister, First Lord of the Treasury and Leader of the House of Commons	Rt. Hon. James Ramsay MacDonald
Lord President of the Council	Rt. Hon. Stanley Baldwin
Chancellor of the Exchequer	Rt. Hon. Neville Chamberlain
Secretary of State for Home Affairs	Rt. Hon. Sir Herbert Samuel, G.C.B.
Lord Chancellor	Rt. Hon. Viscount Sankey, G.B.E.
Secretary of State for War	Rt. Hon. Viscount Hailsham
Secretary of State for Foreign Affairs	Rt. Hon. Sir John Simon, G.C.S.I.
Secretary of State for India	Rt. Hon. Sir Samuel Hoare, BT.
Secretary of State for Dominion Affairs	Rt. Hon. James Henry Thomas
Secretary of State for the Colonies	Rt. Hon. Sir Philip Cunliffe-Lister
Secretary of State for Air	Most Hon. the Marquess of Londonderry, K.G., M.V.O.
Secretary of State for Scotland	Rt. Hon. Sir Archibald Sinclair, BT.
Minister of Health	Rt. Hon. Sir Edward Hilton Young, G.B.E., D.S.O.
President of the Board of Trade	Rt. Hon. Walter Runciman
Lord Privy Seal	Rt. Hon. Viscount Snowden
First Lord of the Admiralty	Rt. Hon. Sir Bolton M. Eyres-Monsell, G.B.E.
President of Board of Education	Rt. Hon. Sir Donald Maclean
Minister of Agriculture and Fisheries	Rt. Hon. Sir John Gilmour, BT.
Minister of Labour	Rt. Hon. Sir Henry Betterton, BT.
First Commissioner of Works	Rt. Hon. W. Ormsby-Gore

A New Parliament; Tariff Reform. The First Session of the new Parliament, following the General Election of October, was opened by His Majesty on Nov. 10, 1931. Owing to the Imperial Economic Conference in Ottawa opening on July 21, 1932, Parliament adjourned on July 13. The most important legislation of the Session was the enactment of The Import Duties Act which embodied the fiscal policy of the Government. The Act provided for preferences to all the Dominions until some new arrangement should have been reached at the Ottawa Conference. Goods from the Colonies were to be exempt from duty permanently. Two temporary tariff measures were The Abnormal Imports (Customs Duties) Act and The Horticultural Products (Customs Duties) Act, both of which gave preferences to Empire Products. The Wheat Act, 1932, had for its object the encouragement of domestic wheat cultivation, a *quota* system, a secure market, and an enhanced price. A Budget was presented showing a Surplus of £796,000 and plans for a War Loan Conversion were announced (June 30, 1932) which would reduce the interest from 5 per cent. to 3½ per cent. and would net the country a saving of £23,000,000 a year. The Transitional Payments Prolongation Act, assented to on Apr. 14, and which aroused some debate on the unemployment situation, extended, until June 30, 1933, the power to make transitional payments to persons who had not paid 30 contributions in the previous two years as insured persons under The Unemployment Insurance Act; and it provided that the cost of this extension, estimated at about £20,000,000, was to be met by the Exchequer. According to the Ministry of Labour, unemployment figures at June 27, 1932, totalled 2,757,343; this total included wholly unemployed persons registered, persons temporarily stopped and those normally in casual employment. The Coal Mines Act, 1932, prolonged the 7½ hour day indefinitely, and the schemes for the production and sale of coal for five years. Other legislation during the Session included: The Statute of Westminster, 1931, which gave effect to Resolutions passed by the Imperial Conferences of 1926 and 1930; and The Irish Free State (Special Duties) Act, 1932, which provided for the imposition of duties up to 100 per cent. on imports from that country in order to recoup the Government of the United Kingdom for the loss in land dues withheld by the Irish Free State Government.

In June, discussions in Parliament centred upon the coming Imperial Conference at Ottawa; much preparatory work was done with regard to tariffs and Imperial preferences, rationalization of industries, monetary and financial problems, manufacturing, agricultural interests, etc.

The following table of trade figures of imports and of total exports respectively for April, May and June, as compared with the corresponding figures for 1931, shows what effect the restrictive measures had upon Great

Britain's "visible adverse balance," since put into operation (*The Round Table*, September):

	April (£ millions)	May (£ millions)	June (£ millions)
Imports			
1931	70.0	69.6	68.6
1932	53.5	55.7	57.5
Exports (including re-exports)			
1931	39.1	39.6	35.5
1932	39.4	34.6	33.9

The question of the sale of the *R100* came up for discussion on Nov. 25 when the Under-Secretary of State for Air, Sir Philip Sassoon, explained that the cost of the airship, exclusive of the flight to Canada and back, and other experimental flights and subsequent maintenance charges, might be put at £363,000,000; that the vessel had been sold to be broken up at Cardington as scrap, exclusive of the engines and one Bay, which latter was being retained for experimental purposes; that the contractors had requested, for ordinary commercial purposes, that the price obtained should not be disclosed. It was intimated that the latter was only a fraction of the original cost. Upon being asked by a Member whether the vessel had been offered for sale to any Government overseas before it was decided to sell it for scrap, Sir Philip Sassoon replied that he could not answer the question without notice.

The Import Duties Act. The Bill, which received the Royal Assent on Feb. 29, 1932, provided for the imposition as from Mar. 1, 1932, of an *ad valorem* Customs duty of 10 per cent. on all goods imported into the United Kingdom exempting, however, those for the time being chargeable with a Customs duty under any other Act and those specifically included in the "free list" set out in the first Schedule of the Act. Two Sections of the Act dealt specially with preference for the Dominions and Colonies, one providing that in the case of goods consigned from any part of the British Empire and grown, produced or manufactured in any of the Dominions within the meaning of the Statute of Westminster, 1931, in India and Southern Rhodesia, as well as in any Mandated Territory administered under the authority of a Dominion Government, neither the general *ad valorem* duty nor any additional duty was to be chargeable until Nov. 15, 1932, or a later date if fixed by Resolution of the House of Commons. After Nov. 1, 1932, the Treasury might order that as from a specified date not earlier than Nov. 15, 1932, goods from these countries should not be chargeable with the general *ad valorem* or any additional duty or else chargeable only at some specified rate less than the full rate. The other Section laid down that neither the general *ad valorem* duty nor any additional duty was to be chargeable on goods grown, produced or manufactured in "any part of His Majesty's Dominions outside the United Kingdom other than a country" to which the previous Section applied; from any territory which was under His Majesty's protection; and from any territory (by Order-in-Council) for which a Mandate "is held by the United Kingdom Government." Goods not chargeable already with the general *ad valorem* duty under other Acts, such as the Abnormal Importations (Customs Duties) Act which was to expire on May 20, 1932, and the Horticultural Products (Emergency Customs Duties) Act which would continue in force until Dec. 11, 1932, might be brought within the scope of the provisions respecting additional duty as soon as the expiration of such Acts.

The provisions of Section VIII. of the Finance Act, 1919, were modified and applied for the purpose of Sections IV. and V. of the "present Act." The Supplementary provisions as to Imperial Preference were contained in The Third Schedule and dealt mainly with conditions under which certain goods might be classed as being either partly grown, partly manufactured, or partly produced and as such might be deemed free from the general *ad*

valorem duty or any additional duty. Other provisions contained in the Act were for proof of origin of goods, preference in the case of certain foreign goods and respecting the charge of duty in the case of composite goods. The Board of Trade was given authority before the beginning of 1933 to call for a return from trades and industries of all goods which, if imported, would be dutiable.

Some of the goods exempted from the general *ad valorem* duty were gold, platinum, unset precious and semi-precious stones and pearls, wheat and maize grain, meat, live quadruped animals, tea, raw cotton, wool, hides and skins, newspapers, etc., newsprint, coal and coke, raw rubber, metallic ores, copper (unwrought), radium compounds, scientific films (cine.) exempted under other Acts, certain goods for shipbuilding, goods for re-exportation.

Authority was given under the Act to constitute an Import Duties Advisory Committee, consisting of a Chairman and from two to five other members appointed by the Treasury. The appointment of Sir George May (Chairman of the Economy Committee) as Chairman was announced in the House on Mar. 1. In June the Committee appointed a National Committee from which regional Committees were formed to consider rationalization projects for the iron and steel industry. A warning, given by Sir George May to the industry that a replanning scheme had to be put into effect if it wished to receive continued protection, had its effect in the appointment of a committee, by the industry, for that purpose.

Temporary Duties; and The Wheat Act. Two temporary measures had preceded The Import Duties Act. The first was The Abnormal Importations (Customs Duties) Bill, which received the Royal Assent, Nov. 20, 1931. It provided for the imposition of duties on articles wholly or mainly manufactured, belonging to any class or description comprised in Class III. of the Import and Export list. In the event of importation of such articles into the United Kingdom in abnormal quantities the Board of Trade was authorized to issue an order imposing duties up to 100 per cent. of the value of the articles, to be additional to any other Customs duties already chargeable. No Empire products within the meaning of the expression used in Sub-Section I. of Section VIII. of the Finance Act, 1919, were to be chargeable with duty under the Act which was to continue in force for six months from the date of its passage.

The second temporary enactment was The Horticultural Products (Emergency Customs Duties) Act which was passed on Dec. 11, 1931. It empowered the Minister of Agriculture to make orders imposing duties on imports of certain kinds of fresh fruit, fresh vegetables, flowers, bulbs, plants and foliage. It was enacted that an order must be approved within twenty-eight days by a resolution of the House of Commons and that duties were not to exceed 100 per cent. of the value of the articles. The duties might be charged by reference to value, weight, measurement or quantity; also they might be charged at different rates for different parts of any period fixed by the Minister for their operation. Empire products were exempt from the provision of the Act which was to continue in force for twelve months.

The object of the Wheat Bill which had its third reading in the House of Commons in April (1932) and which subsequently received Royal Assent, was to provide wheat growers in the United Kingdom with a secure market and an enhanced price for home-grown wheat of millable quality to be secured by means of "deficiency payments" to wheat growers on the basis of their certified sales. Under No. 1 Order, dated June 16, 1932, made in accordance with the provisions of the Act, every miller and every importer of flour became liable, as from June 19, to make to the Wheat Commission (appointed according to the Act under the Chairmanship of Lord Peel on June 1 to make the necessary By-laws) a quota payment of 10 s. 8 d. per

cwt. of his output of flour. The anticipated supply of home-grown millable wheat for the cereal year 1932-33 was 19,800,000 cwt.

At a Conference of British traders and the Government on June 1, 1932, the various trading and milling organizations agreed to appoint a Committee to co-operate with the Government in examining the details of a wheat quota scheme for the Overseas Empire.

The 1932 Budget. The Annual Budget Statement was delivered by the Chancellor of the Exchequer, Rt. Hon. Neville Chamberlain, on Apr. 19, 1932. The total Estimated Revenue for 1932-33 was £766,800,000 and total Estimated Expenditure, £766,004,000, leaving an Estimated Surplus of £796,000.

In opening his Budget Address, Mr. Chamberlain called attention to the fact that in September (1931) Lord Snowden was faced with a prospective Deficit of £74,000,000. By a combination of economies and new taxation he was able to provide for a reduction of Debt of £32,500,000 and for a Surplus of £1,500,000. On Mar. 31, 1932, a small Surplus of £364,000 was actually shown. However, owing to the fact that only £12,750,000 instead of the £23,000,000 proposed in April, 1931, was taken from the Dollar Exchange Fund, they were really £9,000,000 better off than Lord Snowden had anticipated, when the difference between the two figures (£10,250,000) was added to the £364,000 Surplus. Economies on the Supply Services had actually amounted to £34,500,000 instead of £22,000,000 as estimated in September.

The Chancellor of the Exchequer, in dealing with the Revenue side of the Accounts, stated that he had lost £18,000,000 in decreased Receipts from Death Duties and another £3,000,000 from the decline in the yield of the Stamp Duties. On the other hand, the Income tax at £287,400,000 had provided a Surplus of £15,400,000 and the Surtax, at £76,000,000, was up nearly £4,000,000.

Mr. Chamberlain pointed out that in the Budget he was presenting he was including no receipts for Reparations and Allied War Debts and no outgoings for British War Debt payments. The procedure he had adopted would entail a modification of the Fixed Debt Charge; this did not imply, however, that any fresh decision had been taken as to British policy upon those questions. For the time being it had been decided to omit any estimate of receipts for those Dominions War Debts, the service of which was suspended until July 1 (Hoover Plan). The Chancellor's intention was to submit to Parliament, later in the year when the outcome of the Lausanne Conference (June) was known, whatever proposals might be necessary to give effect to the measures they had agreed upon.

The Budget showed that the savings expected from the Supply Services for the year 1932-33 totalled nearly £79,000,000 instead of the £70,000,000 estimated in September, largely due to the expectation of a continued diminution in unemployment figures. A yield of £27,000,000 was anticipated from the general *ad valorem* duty of 10 per cent. under the Import Duties Act. The Budget proposed the creation of an Exchange Equalization Account to safeguard the pound from fluctuation and exploitation by speculators for which powers would be taken to borrow up to £150,000,000, and stated that the duty on foreign tea, which had been removed in 1929, would be revived at the rate of fourpence per lb., that on Empire tea to be two pence per lb.—a preference of 50 per cent; that from Jan. 1, 1933, all motor-cycles would be taxed on the basis of the cylinder capacity of their engines (not exceeding 150 cubic centimetres, 15s.); and that the preference on imported Colonial sugar would be increased 1s. per cwt. for a period of five years.

Mr. Chamberlain announced that $150,000,000 of the United States Credit would be repaid by Mar. 4, 1932, thus reducing that credit from approximately £40,000,000 to £10,000,000, while the credit given to French bankers was already reduced from £20,000,000 to £7,000,000.

The net total of the Navy Estimates for 1932 was £50,476,300, or £1,128,700 less than the 1931 Estimates; of the Army Estimates, £36,488,000, or £3,442,000 less than 1931; and of the Air Estimates, £17,400,000, a decline of £700,000 from 1931.

On June 16 the Royal Assent was given to the Finance Act, embodying the above Budget proposals. The Act also authorized the Treasury to remove any goods from the list of goods exempted from the general *ad valorem* duty imposed by the Import Duties Act, and suspended that Section of the Finance Act, 1931 which provided that Land Value Tax should be charged for the financial year ended Mar. 31, 1934, and for each subsequent financial year, the valuation for the purpose of the Tax also to remain in abeyance.

Before the close of the Session a Conservative Advisory Economy Committee to the Government was appointed.

Australia and other Dominions

Australia was immersed during 1931 and the first six months of 1932 in a sea of political and financial turbulence. Following the adjournment in December, 1930, of the House of Representatives, a reconstruction of the Labour Cabinet had taken place owing to the reinstatement as Treasurer of Hon. E. G. Theodore (who had resigned on July 4, 1930) and the subsequent resignations of Hon. J. E. Fenton, Minister of Trade and Commerce, and Hon. J. A. Lyons, Postmaster-General. Later, on May 7, 1931, when the new United Australian Party, made up of the Nationalist Party and those Members led by Mr. Lyons who resigned from the Labour Party, was formed, Mr. Lyons became its Leader. The announcement in March, 1931, that New South Wales intended to default in their Overseas interest payments was followed by a statement from the Commonwealth Government that they would, under the financial agreement of 1927, assume the liability of the obligations. A warning in April from the Commonwealth Bank to the Commonwealth Government that further credit after June 30 would not be granted, resulted in a Conference of Federal and State Ministers and Federal Leaders of the Opposition at Melbourne from May 25 to June 11, 1931, when a Resolution was passed incorporating a monetary policy and a plan of financial reconstruction for Australia. Part of the Prime Ministers' Plan was a Conversion loan which was embodied in the Debt Conversion Agreement Act, passed by the Commonwealth Parliament on July 30 (1931). The Bill approved an agreement between the Commonwealth and State Governments for the conversion of the internal public debts of the Commonwealth and the States, and was eventually ratified by all the Parliaments of Australia. It authorized the Commonwealth Government to act on behalf of the State Governments as well as of the Commonwealth to effect the conversion of Commonwealth and State securities amounting to £550,000,000 at a rate of interest 2½ per cent. less than that formerly received.

The Prime Minister (Hon. J. H. Scullin) explained in the House of Representatives when the Bill was introduced that owing to the fact that Australia was confronted with the gravest crisis in its history, having borrowed very largely Overseas, it was necessary to put through this drastic plan. He explained that the country had been receiving high prices for their exports and maintaining a high average rate of borrowing and that they had been living far beyond their means. Two factors—a very sudden drop in the price of exportable commodities and a complete cessation of borrowing Overseas—had greatly aggravated the financial and economic depression. Mr. Scullin explained that in addition to the Conversion Loan, further taxation was to be imposed to assist in making up the deficiency in revenue. He stated that the object of the plan was to spread the burden so that there should be no privileged section and so that Budgets should be balanced. He pointed out that estimated Revenue for the coming twelve months was

£60,000,000 and to meet their present Expenditure £80,000,000 would be needed; that the position which confronted the country the first month of the new financial year was even more serious. They should be able to pay only 12s. in the £1 in July unless they rationed all their payments in Australia and Overseas or reduced expenditure.

Financial emergency Bills and other enactments for implementing the Prime Ministers' Plan were eventually passed, with few exceptions, in the Federal and State Houses, but not without strong opposition from the extremist Labour Members. The operation of the Conversion Loan was carried out by the Conmmonwealth; 97 per cent. of the loan was converted, only 3 per cent. of the bondholders dissenting.

Meantime, notwithstanding the success in putting through the necessary legislation for the operation of the Conversion Loan, bitter dissension had arisen between the extremists, who had opposed some of the implementing measures of economy and who were strong in their advocacy of inflation, and the followers of Mr. Scullin. Vigorous opposition had been shown throughout the whole proceedings by the Labour Party organization. Finally, on Nov. 25, 1931, on a Motion to adjourn the House by one of the extremist Members, the Government was defeated by 37 to 32 votes. Parliament was accordingly dissolved and a General Election took place on Dec. 19 which resulted in a victory for the United Australian Party, Hon. J. A. Lyons becoming Prime Minister and Hon. J. G. Latham, Attorney-General and Minister of External Affairs and Industry.

In January, 1932, two or three weeks before the opening of Parliament, the Australian Loan Council and a Prime Ministers' Conference met to discuss the financial conditions of the several Governments. The figures submitted showed that the seven Governments as a whole had an estimated Deficit for the year ending June 30, 1932, which was almost 50 per cent. greater than had been expected under the Prime Ministers' Plan. Victoria showed an estimate that was within the limit allowed and the Commonwealth and South Australia hoped to be able to keep their deficits down to their respective arrangements.

As New South Wales had, on two occasions, failed to meet her public obligations and as the Commonwealth had paid their Overseas commitments, legislation was enacted during the First Session of the new Commonwealth Parliament in the form of The Financial Agreements (Commonwealth Liability) Act and The Financial Agreements Enforcement Act on Mar. 12, 1932, which, it was thought, would definitely put beyond all question for the future that the Commonwealth were responsible for the debts of the States, and would enable the Commonwealth to exercise their powers in the carrying out of the financial agreements. Three other Acts were later passed to amend the above legislation. The first of the three additional measures was on account of New South Wales' having defaulted on her internal interest payments since the original Act was passed; the second of the later Acts was to prevent from becoming law legislation passed in New South Wales on May 12 (1932) providing for a tax of 10 per cent. on the amount secured on every mortgage existing in that State; and the third Act, passed on May 17, was to suspend temporarily the main or original Enforcement Act and the first of the later Acts, as Hon. J. T. Lang, Prime Minister of New South Wales, had been dismissed by the State Governor and as the new Prime Minister (Hon. B. S. B. Stevens) undertook "to meet interest obligations and to continue progressively to reduce Budget deficits."

Other legislation enacted during the First Session of the Commonwealth Parliament, was the Commonwealth Bank Act which enabled the Commonwealth Bank Board, which controlled the note issue, to hold the note issue reserve either in gold or sterling or partly in both; also an unemployment relief measure which authorized the raising and expenditure of £1,800,000 for assistance to the States in the provision of relief.

Discussions took place during the Session on the Imperial Economic Conference which was to meet in Ottawa in July, the announcement being made by the Prime Minister that the Assistant Treasurer, Rt. Hon. Stanley M. Bruce, and the Minister of Trade and Customs, Hon. H. S. Gullett, would represent the Commonwealth at that Meeting. It was further stated that when the Imperial Conference concluded Mr. Bruce would proceed to London as Minister representing the Commonwealth Government and that he would discharge also the functions of the High Commissioner; this would avoid the necessity of a further appointment to that office after the expiration of Sir Granville Ryrie's term at the end of May (1933). It was explained by the Prime Minister that the services of Mr. Bruce in connection with the financial position of the Commonwealth in London, particularly in meeting the loan of £13,000,000 which fell due in November, 1932, would be of the greatest value to the Commonwealth.

On May 31, 1932, the Judicial Committee of the Privy Council upheld the decision of the Supreme Court of New South Wales preventing the abolition of the State's Legislative Council. A Bill abolishing the Council had been introduced by the Lang Government and passed by both Houses of Parliament. The High Court of Australia had decided that it could not legally be presented for Royal Assent until it had been approved by the electors in a referendum called for that purpose.

New Zealand. Drastic measures of economy had been enforced in New Zealand upon the return in November from London, of the Prime Minister (Rt. Hon. W. G. Forbes) from the Imperial Conference of 1930. A Special Emergency Session was held March—April, 1931, when legislation was enacted restricting immigration; removing the State Railways from political control; providing for losses on motor competition and for the relief of mortgagors. The presentation of the Budget in the House of Representatives on July 31, 1931, revealed a Deficit for the previous year of £1,639,000, due to a decrease of £2,000,000 in the Revenue which had been reduced to £23,000,000 although the Expenditure of £24,997,000 had been below the estimated amount. In the following month an Inter-Party Committee was appointed to look into the national financial and commercial situation. Its deliberations led to the formation of a Coalition Government with Mr. Forbes (United Party) as Prime Minister; Rt. Hon. J. G. Coates (Reform Party) as Minister of External Affairs and Railways; and Hon. W. Downie Stewart (Reform) as Minister of Finance and Customs. In an appeal to the country in December the new Government was returned to power. Four months later, on Apr. 29, 1932, a statement in the House of Representatives by the Finance Minister showed that £10,000,000 had been saved by the Government by their efforts of economy. National expenditure had been reduced £6,000,000 in three years and a further reduction for the current year was in sight. Legislation was at the time (April, 1932) enacted by which public service salaries and interest, rents and pensions would be reduced to the extent of £5,000,000, and the Government had arranged with the Bank of New Zealand to obtain, by hypothecation of the reserves invested in discharged soldier settlement mortgages, a sum of £2,500,000 to help national financing and to take the place of further taxation. But notwithstanding this arrangement the year was expected to show a Deficit of £2,000,000. Owing to the gravity of domestic problems, the Prime Minister announced on June 7 that neither he nor Mr. Coates would, as previously arranged, be able to attend the Imperial Economic Conference at Ottawa in July. Mr. W. Downie Stewart and other representatives from New Zealand were expected to arrive at Vancouver on July 15 and proceed at once to Ottawa.

An incident of importance to Canada was the action of the New Zealand Newspaper Proprietors' Association in October, 1931, in passing a Resolution recommending its members to place at least two-thirds of their newsprint orders for the following twelve months with British manufacturers. A Press

dispatch from Ottawa stated that this step would involve approximately $1,000,000 of Canada's export trade. (See pages 513-14 for Treaty with Canada).

Union of South Africa. One of the most absorbing questions of the year 1930-31 in South Africa was whether or not that country should follow Great Britain's example in the abandonment of the Gold Standard. The Government, headed by Hon. J. B. M. Hertzog, Prime Minister, were firm in the opinion that it should be maintained, while the South African Party were just as determined in the opposite belief. In this connection the Finance Emergency Regulations Act, empowering the Governor-General to make regulations about any matter concerning currency, banking and exchange, was finally passed by Parliament on Nov. 25, 1931, to continue in operation until 14 days after the beginning of the next Session. An Act was also passed providing for the levying of a special Customs duty or primage upon the importation of certain goods into the Union and for the payment of subsidies on the export of certain goods from the Union. On Jan. 27, 1932, the proposal of the Prime Minister that a Select Committee be appointed to inquire into the question of the Gold Standard was agreed to by the House. At the same time General Hertzog stated that if the Gold Standard were ever abandoned, it would not be by his Government. In May the Committee's Report, upholding the cleavage to gold, was passed by Parliament, and the Finance Emergency Act was also renewed.

A step advocated by the Government which aroused much discussion was the proposal to abolish the Provincial Councils, owing to their inability to balance their Budgets. Opposition was rife, especially in the Federalist stronghold of Natal, and for a time it appeared that the Government would be forced to abandon its plans. However, a Resolution, passed by the Free State Provincial Council on Mar. 18, 1932, in the face of an overwhelming Deficit, requesting that the Union Government take over financial responsibility for the Province, was accepted by the former, who regarded it as the first step toward the realization of a unitary system.

The Budget Statement of the Federal Finance Minister, Hon. N. C. Havenga, submitted on Mar. 24, announced a Deficit of £1,200,000 for the year ended Mar. 31, 1932, and estimated a Deficit for 1932-33 of £1,635,000, to be provided for by new taxation, anticipated to yield £3,535,000.

The Irish Free State. Illegal drilling and clashes with the police in certain sections of the country and the holding of meetings under the auspices of the extreme group of the Irish Republican Army, known as the I.R.A., and of the Saor Eira, a society of Communistic tendencies, led to the introduction by the Government in the Dáil Eirean during the February—December (1931) Session, of the Constitution (Amendment No. 17) Act or "Public Safety Act." Its purpose was to strengthen the power of the Government to deal with revolutionary societies and the intimidation of jurors and Members of Parliament by threats of violence. The Bill received Assent on Oct. 17, after having been contested at every step by the Opposition. The Westminster Statute was also put through after some debate.

Although the Cosgrave Government's term did not expire until September, 1932, on account of the holding of the Eucharistic Congress in June of that year, it was decided to call the General Election on Feb. 16, 1932. The result was a victory for the Fianna Fáil Party whose platform was the abolition of the Oath of Allegiance; the withholding of Land Annuities owing to the Government of Great Britain for money advanced to enable the farmers of the Free State to purchase land; and the abolition of the Public Safety Act. The composition of the new Dáil which assembled on Mar. 9, 1932, was as follows: Fianna Fáil, 72; Cumann na nGaedheal, 56; Independents, 11; Labour Party, 7; Farmers, 4; Independent Labour, 2. Prior to Dissolution the state of the Parties was Cumann na nGaedheal, 65; Fianna Fáil, 56; Independents, 15; Labour Party, 10; Farmers, 6. Eamonn de Valera was elected President of the Executive Council by 81 to 68 votes.

The Constitution (Removal of Oath) Bill, to abolish the oath of allegiance which members of the Oiraechtas were required to take under the Constitution of 1922, was introduced in the Dáil by Mr. de Valera on Apr. 21, 1932. The President insisted that the Government's attitude to Great Britain was one of goodwill and as a first step toward living on the friendliest terms with that country he wished to see removed the very things that prevented normal relations between Great Britain and the Free State. "With regard to the other, we have got a Mandate from our people, and that Mandate we intend to carry out. An overwhelming majority of the people want to remove the obstacle to permanent peace here." Continuing, Mr. de Valera said "as regards the land annuities . . . our statements made during the Election campaign were pledges to the people . . . and with God's help we intend to act up to them." Strenuous opposition met the Bill during its subsequent stages; Mr. W. T. Cosgrave (Opposition Leader) when moving an Amendment to the President's Motion, declared that the introduction of the Bill appeared to be one of the greatest pieces of political chicanery in history. The Bill when it reached the Senate on June 8 was deleted of Sections 2 and 3, the Senate agreeing, without division, to Section 1 which abolished the form of the Oath laid down in the Constitution Act. Sections 2 and 3, defeated by 30 to 22 and 31 to 22 votes respectively, would have repealed the provisions in the Constitution stipulating that anything repugnant to the Anglo-Irish Treaty should be null and void; and would have amended an article of the Constitution by deleting reference to the Treaty. The Senate action meant that the Bill could not become law until the end of 18 months. On June 15 the Senate on a vote of 29 to 18 passed the Amended Bill to the Report stage in a fortnight's time.

During this period Notes had been exchanged between the two Governments and discussions had taken place both in Dublin and London but without an agreement having been reached on the question of the land annuities; Mr. de Valera had maintained from the first that the abolition of the Oath of Allegiance was not a subject for discussion as it was purely a domestic affair. Finally the Government of Great Britain offered to place the matter before an Empire tribunal for arbitration; this was refused by Mr. de Valera with the statement that he could not expect fair treatment from such a body and, in turn, he suggested an international tribunal to which the British Government would not agree. At the end of June, 1932, the President of the Free State announced that no action would be taken with regard to the half-yearly instalment due on June 30, until a formal demand for the annuities was made by Great Britain. Shortly before the adjournment of Parliament in the latter country legislation was enacted (The Free State Imports Duties Bill) providing for a duty up to 100 per cent. on imports from the Free State as compensation of any default in annuities payment by that country.

A statement was made by Mr. de Valera that, owing to pressing domestic affairs he would be unable to attend the Imperial Economic Conference at Ottawa in July, 1932, but that a delegation representing the Government would be appointed.

India. The Round Table Conference which in January, 1931, had adjourned to meet in London the following September, was eagerly awaited throughout the Empire in the hope that a solution of the Indian problem, then centred chiefly around the question of safeguards for minorities, would be found. Disappointment was expressed in many quarters at the prospect of the non-attendance of Mahatma Gandhi whose name had been included as representative of the Congress Party in the 28 invitations sent to leaders of India. The dispute which had arisen between Mr. Gandhi and the Bombay Government concerning the collection of land revenue in Gujaret and alleged breaches of the Delhi Pact between him and Lord Irwin was finally settled on the eve of the Conference, reversing Gandhi's former decision not to attend. The optimistic outlook engendered by the almost unanimous concurrence of the Indian delegates at the First Session of the Conference

in the plans for an all-India Federation (See *The Canadian Annual Review, 1930-31*) was overcast and the larger scheme submerged in the smaller but basic question of the protection of the Minorities, at the Second Session of the Conference (September-December), which resulted in a complete deadlock, as neither side would consider any abatement of their claims. The Conference, therefore, was a disappointing failure in almost every respect. The main results, announced at the end of the Session, were that the British Government reaffirmed its determination to proceed with the creation of an All-India Federation and stated that the concensus of opinion was against the idea of provincial autonomy for the time being; that in the event of further failure on the part of the leaders of the various communities to settle the minorities problem, the Government might be compelled to put forward a provisional scheme of their own and that in addition to the Franchise, Federal Finance and States Inquiry Committees, a working Committee of the Conference would be set up in India with which the British Government, through the Viceroy, might keep in effective touch.

Following the Conference, unrest in India caused by the "Red Shirt" Movement in the North-West Frontier, the No-Rent Campaign in the United Provinces and the terrorist situation in Bengal, reached such proportions that the Government of India, on receipt of an ultimatum delivered to the Viceroy threatening the resumption of the Civil Disobedience Campaign by the Congress, arrested Mr. Gandhi, together with the President of the Congress, and took other measures to suppress subversive Congress activities.

In March, 1932, it was announced that the Consultative Committee of the Round Table Conference had failed to settle the communal problem and had requested that a decision be given by His Majesty's Government. Sir Samuel Hoare, Secretary of State for India, stated in the House of Commons on June 27, 1932, that the Government had decided to maintain the emergency Ordinances framed against the Civil Disobedience Campaign and, having received the Reports of the Franchise and Federal Finance Committees, to proceed definitely with the setting-up of the new Constitution, when they had settled the communal problem, which they expected to do during the Summer of 1932.

An interesting and impressive event which took place at Sukkar on Jan. 13, 1932, was the official dedication by the Viceroy of India, Lord Willingdon, of the Lloyd Irrigation System, one of the largest in the world. The dam, nearly a mile long, named after Lord Lloyd, former Governor of Bombay, cost $75,000,000, and was built to harness the waters of the Indus River and convert an arid plain into an area capable of yielding, it was estimated, 2,500,000 tons of agricultural crops worth $150,000,000 annually.

Newfoundland. Shortly after the opening of the Session the House of Assembly, on Feb. 18, 1932, sent an Address to the Governor asking him to inquire into a series of charges made by the former Minister of Finance, Hon. P. J. Cashin, against the Prime Minister, Rt. Hon. Sir Richard Squires, and certain of his colleagues, regarding the administration of public money. Mr. Cashin had resigned from the Cabinet on Feb. 1, giving as his reason that a certain Minute of the Council had been falsified without the knowledge of the Government. In replying to the Address on Mar. 22, the Governor stated that the charges were without foundation. Further accusations against the Prime Minister were followed by a series of riots in St. John's. The resignation of the Government took place on May 7. The result of the General Election held on June 11 was an overwhelming victory for the Opposition (the United Newfoundland Party), Hon. F. C. Alderdice being appointed Prime Minister. A Redistribution Act passed prior to the Dissolution of Parliament had reduced the number of seats in the House of Assembly from 40 to 27.

INTERNATIONAL CONDITIONS

The World Financial Crisis

The first week of July, 1931, found Europe and the world at large in a condition of financial upheaval unprecedented even in the previous eighteen months of steadily declining prosperity. The focal point was Middle Europe, but disasters there had repercussions in all financial centres. The crisis had begun with the failure, in May, of the Credit Anstalt in Vienna, the leading financial institution of Austria. This proved to be far greater than a mere domestic calamity, as the foreign commitments of the Institution totalled £76,000,000, of which £27,000,000 was owed to Great Britain and £24,000,000 to the United States. Although the Vienna disaster was dealt with promptly by international action, the Austrian Government guaranteeing for two years all new advances to the Credit Anstalt, confidence in Central European securities was badly shaken, with calamitous consequences to Germany, who had long been compelled, owing to a variety of causes, to carry on business on short-term loans provided by foreign creditors. After the Austrian collapse there was a rush to get funds out of Germany, which endangered the whole financial structure of that country. In turn the panic spread to Great Britain, where sterling fell rapidly, owing to the immobilization of British funds in Germany. To this chain of events, beginning at Vienna, bankers subsequently attributed the unprecedented incident of a "run" on the Bank of England, which so depleted the nation's supplies of gold that Britain's ultimate abandonment of the gold standard became an inevitable consequence.

By the beginning of July the crisis in Germany had become much more alarming than that which had overtaken Austria. Heavy withdrawals of funds, including the recall of short-term credits by American, French and other foreign lenders had taken place all through June. In addition, export of capital by German nationals, who feared another collapse of the *reichsmark,* helped to diminish resources of leading banks. Interest rates for current loans rose to almost prohibitive figures. The beginning, on July 1, of the "holiday year," under the Hoover Moratorium plan regarding international debts and reparations, did not serve to restore confidence in Germany. Daily throughout the first week of July the Reichsbank had to pay out enormous sums to meet foreign exchange requirements. On July 7, sixty of the greater banks and industrial concerns of Germany arranged a joint guarantee of 500,000,000 *reichsmarks* (£25,000,000) to be administered by the Gold Discount Bank, an institution closely allied with the Reichsbank. The Government co-operated by immediately extending that institution's sphere of

activity and by making participation in the guarantee compulsory among large corporations and financial concerns. On July 9, Dr. Hans Luther, President of the Reichsbank, flew to London to discuss the situation with Mr. Montagu Norman, Governor of the Bank of England, prior to proceeding to Basle, Switzerland, headquarters of the Bank for International Settlements, in the hope of implementing a scheme for long-term settlements. He also paid short visits to Brussels and Paris to explain Germany's urgent need for aid. On July 13, the date set for the Basle discussions, disaster came precipitately when one of the greatest financial institutions in Germany, the Darmstädter und Nationalbank, which was popularly known as the "Danatbank," closed its doors. Confidence in all German banks was immediately shattered. The failure was due, in part, to the collapse of an immense textile corporation, the North German Wool Company of Bremen, which was heavily indebted to the "Danatbank." The charge was also made that France had delayed assent to the Hoover plan so long as to nullify, largely, its benefits to Germany.

Meantime, the German Cabinet, which had been in session day and night during this period, decided, after a final 33-hour sitting, to close all stock exchanges and banks, except the Reichsbank, for 48 hours and to provide against revolutionary disturbances. It was apparent that loans totalling $450,000,000 would be required to meet the situation, and Dr. Luther, at Basle, explained to the Board of the Bank for International Settlements that Germany intended to restrict credit within the Reich and to stop foreign withdrawals of capital through a cessation of trading on the Bourse. He succeeded in satisfying the Board as to his country's economic and budgetary condition, despite the strain brought about by withdrawals of short-term capital, and it was decided to extend to the Reichsbank the existing credit of $100,000,000, which fell due on July 16, and to co-operate with the Governments of the Great Powers in extending other assistance to enable Germany to tide over the emergency. As a result of the failure of the "Danatbank" there followed the collapse of banks in Vienna and Latvia with which it was associated. So marked were the repercussions in Hungary that the Budapest Bourse and all the banks in that country were compelled to close down for three days.

The re-opening of German banks was fixed for July 16, and in the *interim* measures were adopted strictly limiting payments to such essentials as wages, etc., and providing for central control of foreign exchanges by the Reichsbank. It was announced that cover of gold and silver foreign exchanges had dropped below the legal limit of 40 per cent. and that the discount rate had been raised from 7 to 10 per cent. German banks re-opened in an atmosphere of calm, restrictions as to payments preventing panic runs.

Preliminary to a Seven-Power Conference called by the British Government for July 20 in London, conferences took place in Paris

on July 17 and 18, participated in by Dr. Heinrich Brüning (Chancellor) and Herr Julius Curtius (Foreign Minister) of Germany; Hon. H. L. Stimson (Secretary of State) and Hon. Andrew Mellon (Secretary of the Treasury) of the United States; Rt. Hon. Arthur Henderson (Secretary of Foreign Affairs) of Great Britain, and the leading members of the French Government, including M. Pierre Laval (Premier) and M. Aristide Briand (Minister of Foreign Affairs). France, it was reported, suggested an international loan of £100,000,000 redeemable in 10 years, and secured by German Customs revenue, with some form of control by guarantor Powers. Subsequently, representatives of Italy, Belgium and Japan joined in the discussions.

The Seven-Power Conference was opened in the Prime Minister's room in the House of Commons on July 20, with Belgium, France, Germany, Great Britain, Italy, Japan and the United States represented. In his introductory remarks, Rt. Hon. Ramsay MacDonald, Prime Minister of Great Britain, paid a tribute to Hon. Herbert Hoover, President of the United States, for his offer of a moratorium on foreign debts. He stated that the question of what could be done for Germany was largely one that must be left to bankers and financiers, but expressed his belief that there was no doubt of the inherent strength of German economy, provided it had the capital resources it required. Subsequently, Mr. Stimson and Mr. Mellon presented proposals which had been discussed by trans-Atlantic telephone with Mr. Herbert Hoover. Briefly, they were that world bankers should stabilize and assure the continuance of the existing short-term credits of $1,200,000,000 (£240,000,000 or 41,-200,000 *reichsmarks*) to Germany; that the German Government should enforce control of foreign exchanges to prevent preferences or arbitrary withdrawals; that the need of further credits should be ascertained; and that arrangements should be made to convert short-term into long-term credits. It was stated that the United States held about 60 ($600,000,000) and France about 5 per cent. ($60,000,000) of the volume of credits.

The Conference delegated the task of framing terms of an agreement to a Committee which they proposed should be set up by the Bank for International Settlements and should consist of representatives nominated by the Governors of the central banks interested. The Committee was to inquire into the financial needs of Germany, with a view to maintaining existing credits and the conversion of a portion of the short-term credits into long-term credits. They also recommended that the credit of $100,000,000 (£20,000,000) recently granted to the Reichsbank under the auspices of the B.I.S., and which was due on Aug. 6, should be extended for ninety days. *The Times*, London, (July 24, 1931) described Germany's view of the Conference as being: that it had "merely decided to give Germany 'first aid'; further treatment to depend upon physicians' observations."

During the absence from England in Berlin of Mr. Ramsay MacDonald and Mr. Arthur Henderson to discuss general European conditions, the strain on the British pound sterling as an aftermath of the German financial explosion became manifest. Discussions were held in Paris between representatives of the Bank of England and the Bank of France, and a prospective credit of a large amount to the English bank of issue was rumoured. On Aug. 1 (1931) it was announced by the Bank of England that the Bank of France and the Federal Reserve Bank of New York had each placed at the disposal of the Bank a credit for the equivalent of £25,000,000, making a total equivalent of £50,000,000. It was supposed that this step would restore the pound sterling, which was showing signs of weakness, owing to the fact that London had given help to other nations beyond her financial strength. Alarm over the situation was voiced in the House of Commons by Rt. Hon. Stanley Baldwin, Leader of the Conservative Opposition, who urged that a united national effort be made to rectify matters.

As a result of the credits obtained, the Bank of England decided to increase its fiduciary note issue to enable it to ship more gold abroad without reducing the supply of currency for domestic uses. Doubt as to Britain's exact position, stimulated by the "freezing" of foreign loans, contingent on the Hoover Moratorium, became widespread as the month of August proceeded. Two important Reports, the details of which became current at midsummer, threw light on the situation. One, the Macmillan Report, was an exhaustive survey of world depression, attributing it for the most part to the fall in commodity prices. It suggested no immediate remedies. Another, a Report on Britain's actual position presented by a Committee headed by a noted actuarial authority, Sir George May, was much more potential in its immediate effects. It recommended a 12 per cent. reduction in public expenditures as being absolutely imperative to render the Government solvent, and to balance the Budget.

On Aug. 3 the credit of the German Reichsbank was renewed by the Bank for International Settlements as pre-arranged, and it was announced that under the new regulations there had been an encouraging increase in gold marks to cover foreign exchange. Confidence, though not very glowing, was, to some degree, restored. On Aug. 5 many banks which, since July 14, had been shut or open only for partial payments, resumed normal banking activities; but at the same time the erratic movements of sterling exchange in London became alarming.

So grave had the financial situation in London become by Aug. 11, that the British Prime Minister flew from Lossiemouth to London to meet the Chancellor of the Exchequer, Rt. Hon. Philip Snowden, and leading bankers, to decide what should be done. First rumours of an all-Parties Conference to find a remedy were then promulgated. It was revealed that Britain's embarrassments were

largely the result of enormous sums in short-term and long-term loans to Germany which at the time could not be met. The question of whether Germany should be freed from reparations payments because of her incapacity to pay was raised but was rejected by M. Flandin, French Minister of Finance. The Bankers' Committee known as the Wiggin Committee, and appointed by the B.I.S. (pursuant to the recommendation of the London Seven-Power Conference) for inquiry into the financial conditions of Germany, presented its Report on Aug. 19, 1931. Though precluded from making observations of a political nature, their findings implied that a heavy cut in reparations payments was necessary. The Committee urged on all Governments concerned "that they lose no time in taking the necessary measures for bringing about such conditions as will allow financial operations to bring to Germany, and thereby to the World, sorely needed assistance." In addition, it was stated, "international payments to be made by Germany should not be such as to imperil her financial stability." The Committee pointed out that during the years 1924-30 Germany's foreign indebtedness had grown faster than her foreign assets by 18.2 million *reichsmarks;* that the German situation was due also, in part, to the general depression which was affecting all countries; and that sympathetic cooperation and mutual confidence in relations between the countries concerned were essential as a means of restoring financial equilibrium.

On Aug. 18 the Socialist Government of Great Britain submitted a programme of economies based on the May recommendations, which was rejected by the Trades Union Council which claimed the right to pass upon its policies. A solution was found on Aug. 24 (1931) in the formation of a National Government, headed by Rt. Hon. Ramsay MacDonald, and constituted by a coalition of all Parties (as related elsewhere in this Volume). On the morning of that day British credit was in grave danger owing to the exhaustion of the joint credit previously given by France and the United States. Formation of the emergency National Government at once tended to restore world confidence. On Aug. 27, French and United States bankers decided to support the pound sterling with a new credit amounting to about £80,000,000 ($400,000,000), equally divided between the two countries.

The resolve of the British Government to balance the Budget led to stock-taking by France with regard to her own affairs, and it was reported on Aug. 31 that she was face to face with a shrinkage of receipts which must be overcome by economies. The drift of gold to the United States was rapid, and on Sept. 6 it was estimated that that country's holdings totalled five billion dollars, or 45 per cent. of the world's available supply. On Sept. 14 the President (Mr. Hoover) entertained at Washington the members of the Advisory Council of the Federal Reserve Bank, composed of leading bankers from many parts of the country, with a view to obtaining advice on

the situation in Europe. They were reported to have suggested that the Moratorium on international debts be extended for four or five years.

Despite international efforts to support the pound sterling, huge withdrawals of gold from the Bank of England continued throughout the first three weeks of September. On Sunday, Sept. 20, after a hastily summoned meeting of the Cabinet, the Prime Minister announced that the Government had found it necessary to suspend operations of that sub-section of the Gold Standard Act of 1925 which compelled the Bank of England to sell gold at a fixed price. This signified abandonment of the gold standard which had been restored in the year mentioned, after having been suspended since 1914. It was also announced that efforts to obtain further foreign credits had failed, but that obligations payable in foreign currencies would not be affected. Gold holdings of the Bank were announced as £130,000,000 on the morning of Sept. 21, and banking business was not interrupted. During the next few days considerable disturbance prevailed on all World exchanges and bourses, owing to fluctuations in the value of sterling, and the currencies of all countries in the British Empire were adversely affected. At Ottawa, it was announced that Canada would meet, in gold, debts accruing in the United States. One of the earliest reactions occurred in Norway and Sweden who both, on Sept. 27, went off the gold standard.

On Sept. 28 France and Germany decided to form an economic commission of a permanent character, to reconcile their financial interests and to induce a more stable situation in Europe. In the first week of October, Mr. Hoover initiated a series of conferences with leading United States financiers, industrialists and public men, to ascertain their views as to remedies for the financial stringency. These resulted in the formation of a National Credit Corporation to put idle capital at work to assist economic recovery. It was proposed that this Corporation should have at its disposal $500,000,000, subscribed in whole or in part by the United States Treasury Department, to lend at discretion to threatened financial institutions. The aim was to end restrictions hampering credit, and it was assumed that it would be similar in operation to the War Finance Corporation, which functioned during 1917-18. On Oct. 8 Lord Reading, the new British Foreign Secretary, made a statement of Great Britain's financial position to the French Government, and it was decided to send two officials of the Bank of France with the Premier, M. Pierre Laval, to Washington to study Mr. Hoover's proposals. In the conversations which ensued, the efforts of the French visitors were mainly directed towards urging the United States to remain on the gold standard and to assist Great Britain to return to it as soon as possible. Considerable disappointment was expressed that the whole question of international indebtedness had not been taken up. Equally disappointing was the result, upon M. Laval's return, of the resumption of Franco-German negotiations as to debts due on the expiry of the "Hoover holiday" at June 30, 1932.

On Nov. 6, M. Francqui, formerly Belgian Minister of Finance, laid before M. Laval a plan, not favourably received, for the creation of an international credit bank to undertake conversion of short-term credits.

For several weeks during the Autumn discussions were held among international financiers looking to a parley to discuss the rehabilitation of silver as a medium of currency, but on Nov. 8, it was announced that after careful consideration such a course was deemed inadvisable and that no concerted action in that direction seemed possible.

Coincident with these events occurred one of the most exciting political campaigns in the history of Great Britain. On Oct. 25 the National Government decided to appeal to the country on Oct. 27. The result was a stupendous victory for the National Coalition, and the Administration was left free to pursue such economic policies as seemed wise to its members. Less than a month later, on Nov. 18, it was announced that the Bank of England had entirely paid off its indebtedness to the Federal Reserve Bank and was out of debt. In mid-November, Signor Dino Grandi, Italian Foreign Minister, paid an official visit to the United States to discuss financial questions with the Hoover Government and leading Wall Street bankers. Discussions also took place looking to further disarmament as an aid to the solution of the question of international indebtedness. Though it was rumoured that Italy wished to place a loan in the United States, none was negotiated.

Some weeks later, the announcement was made that international bankers, representing creditors of the Credit Anstalt of Austria, had effected a plan of reorganization which would enable it to continue operations on a safe basis. On Dec. 8, the President of Germany (F.M. Paul Von Hindenburg) promulgated a lengthy emergency decree announcing drastic economies in governmental services, increased taxation and measures to protect currency against inflation. On the following day, Dec. 9, the British Prime Minister (Mr. MacDonald), speaking in the House of Commons, urged a world conference on the prevailing economic ills. He declared that the great Powers must meet to study debts and reparations and that stabilization of the pound sterling must be deferred until that problem was disposed of. A few days later (Dec. 13) Japan announced her departure from the gold standard when it was estimated that in all 14 nations were, in part or wholly, off the gold standard. An embargo was placed by the Japanese Government on shipments of bullion to the United States, a policy, which, it was feared, would have a detrimental effect on the finances of China, with whom Japan was involved in armed disturbances. Early in the new year (Jan. 11, 1932) the Bank for International Settlements at Basle renewed for varying terms existing credits to Germany, Austria Hungary and Yugoslavia.

Meantime, on Dec. 8, 1931, in a message to Congress, Mr. Hoover (President) had declared the willingness of the United States to

co-operate with other nations in the restoration of confidence and economic stability. He also proposed the imposition of new taxes to yield an additional sum of one billion dollars per year, an impost rendered necessary by domestic needs for revenue. In the following month, an enormous decrease in savings and current account deposits in all parts of the country having been recorded, Mr. Hoover's Bill (eventually passed and signed by the President on Jan. 22, 1932) for a two billion dollar Reconstruction Corporation, which had been drafted by a Senate Sub-Committee, came before the House of Representatives (Jan. 13). Its purpose was to provide credits for distressed banks. Canadian securities were specially exempted from a provision prohibiting advances and loans on foreign securities. The appointment of the United States Ambassador to Great Britain, Major-General Charles G. Dawes of Chicago, eminent both as a banker and diplomat, to administer the plan, begot public confidence.

On May 2, 1932, the House of Representatives passed, by a large majority, a measure known as "The Goldsborough Bill" which was designed to restore commodity prices to the 1921-29 figures by stabilizing the price of the dollar at an inflated value. Under its terms the Federal Reserve Board was given a mandate to "use its power and resources to put into the market four billion dollars in reserve notes, if need be, to raise the present level of commodities." The Bill was subsequently rejected in the Senate. The immediate effect of the action of the House of Representatives was a drop in the price of securities. A long deadlock in Congress, which had begun in April and which had continued for many weeks over attempts to effect economies in administration and to balance the Budget, and their dallying with a Bill to give $2,000,000 additional bonus to World War Veterans were also contributory factors in reducing values of investments. Hon. John M. Garner, Speaker of the House of Representatives, when sales of the United States Dollar were becoming frequent in Europe, sounded a note of alarm in his plea for measures to avert the disaster of a fall in the United States rate of exchange. On May 8 Mr. Hoover announced that he would make no move toward an international silver conference, as suggested by certain Congressmen. Advices he had received convinced him that other monetary Powers were not favourable to such a parley.

To return to Great Britain and the other countries involved: speeches by the Chairmen of the leading British banks, delivered at annual meetings during January, 1932, had reviewed the consequences of the abandonment of the gold standard and had been in agreement that Britain had had no alternative. They stated that definite advantages to languishing export trades, such as the woollen industry, had accrued. There was an unanimity of belief that until reparations and war debts had been cancelled or reduced to an economically insignificant figure there was no prospect of any general revival of world trade or of resumption of the gold standard by Great Britain. On Feb. 22, the President of Germany signed an emergency decree authorizing acquisition by the Reichsbank of stock in the leading

private banks of Germany sufficient to constitute a merger that would place the deposit system of the country on a sound basis and restore credit. Under this decree capital was reduced and losses written off and government support to the extent of four hundred million marks was pledged. Rt. Hon. Neville Chamberlain, Chancellor of the Exchequer of Great Britain, announced, on Mar. 2, the withdrawal of the restrictions prohibiting the purchase of foreign exchange for speculative purposes imposed when Great Britain abandoned the gold standard, and on Mar. 15 the Government of France submitted a "balanced budget" embodying an increase in import duties, which was adopted by the Chamber of Deputies without serious opposition.

A crisis was precipitated throughout Europe by the suicide in Paris on Mar. 13, 1932, of Ivar Kreuger of Stockholm, Managing Director of the Swedish Match Company and Chairman of the Kreuger and Toll financial syndicate. Kreuger had been regarded as possibly the greatest of international financiers, and had obtained match monopolies in many countries of the world in return for loans which he had financed on a colossal scale. Investigations following his death showed his companies to be bankrupt and their management marked by gross dishonesty, forgery of securities and falsification of figures. These revelations produced on the stock markets of the world a disastrous effect which continued for some weeks. Inquiry made it clear that Kreuger's affairs would require months to unravel. Reactions on Wall Street, where he had several partners of high financial eminence, were serious.

A report of the Committee of Foreign Bond Holders in Great Britain, issued at the end of the financial year, Mar. 31, showed that there had been defaults on bond issues in many parts of the world, especially in Eastern Europe and South America. Toward the end of April it was reported that the world's spare money was pouring into London, but that Great Britain had no intention of returning to the gold standard for the time being, nor would she attempt to "peg" the value of the pound sterling. The restored position of British finances was demonstrated on May 15 when it was announced that Government credit had definitely reached a 4 per cent. basis, and a general advance in high grade securities was recorded. At the same time much uneasiness arose in European countries over inflation proposals in the Congress of the United States and heavy withdrawals of gold resulted. United States Government bonds showed a slight decline in value on the New York stock market.

Buoyancy was restored on May 20 when it was announced that a committee of experts headed by Owen D. Young had been appointed to advise the Federal Reserve Board on spreading credits to assist small industries in the United States. On May 27 a plan was submitted to Congress for a billion dollar pool of leading banking houses, federally supervised, which should guarantee private bank deposits. On June 5 the President of the United States signed legislation passed by Congress providing new revenues, new econo-

mies and a balanced budget and the result was a steadying in value of securities both in New York and London. A steady flow of gold from the United States had been in progress since the previous September, but on June 14 it was estimated that that country still held 35 per cent. of the world's supply of monetary gold, approximately four billion dollars. Confidence was reflected in a falling off of such withdrawals which began at this time.

Proposals by the British Government for a World Economic Conference to meet at a date subsequent to the Imperial Economic Conference at Ottawa, scheduled for July, received a favourable response from the United States, although the Washington Government made it clear that it would not discuss war debts and reparations. On June 1, 1932, Sir John Simon, British Foreign Minister, announced that other Governments had not yet been consulted but the Administration felt sure of their willingness to participate. It was assumed that currency and world price levels would be the chief subjects of discussion.

At this period attention of world financiers began to be centred on the Lausanne Conference on reparations scheduled to meet on June 16, in the hope that the solutions reached might assist world recovery. The announcement of the result of the Conference reducing German reparations payments to a negligible burden in view of the terms of payment, was followed by a strengthening of security values in America and Europe and by a rise in commodity values. Thus July, 1932, found the finances of the Occidental world in a considerably healthier condition than in the previous twelve months.

German Reparations; The Lausanne Conference of 1932

The question of reparations was in the background of all international discussions during the period under survey. July 1, 1931, the date named for the beginning of the "Hoover holiday," found France undecided as to whether or not to give her consent to the one year's moratorium on all international War debts, a position which led to strong hints from Washington that further delay might bring financial chaos. Negotiations had proceeded at Paris with Hon. Andrew Mellon, United States Secretary of the Treasury, and Hon. Walter Edge, United States Ambassador to France, participating. On July 3 the British Foreign office, in view of the continued deadlock, issued an invitation to the signatories of the Young Plan for payment of reparations to meet in London on July 17. Failure to agree on details rather than principles was assigned as the reason for the delay. On July 5 France submitted a proposal to Hon. Herbert Hoover (President of the United States) whereby payments in kind, due under the German Reparations agreements should be exempted from the scope of his Moratorium plan. This suggestion was rejected and on the following day France decided to approve in principle the United States terms. She agreed to the suspension of all War debts and reparations for one year; continuance of payment of unconditional annuities by Germany, said payments to be re-invested by the Bank for International Settlements in German railway bonds; suspended payments to bear interest, and to be repayable in 10 annuities beginning July 1, 1933. Certain other reservations that were made did not materially affect the main settlement.

In connection with the Meeting in London of the Experts Committee on Reparations on July 17, it was announced on the 16th from the British Foreign

Office that the Seven-Power Conference would open in London three days later; and that the Prime Minister (Mr. MacDonald) and the Secretary of State for Foreign Affairs (Mr. Henderson) would go to Berlin on the 16th as had been previously arranged. The Berlin visit, however, was later cancelled, Mr. Henderson, who had been in Paris participating in the German-French-United States discussions on the German situation, returning to London with the foreign Ministers for the Conference on the 20th, which held its meetings simultaneously with the Committee of Experts. (See preceding pages for Seven-Power Conference).

Finally, on Aug. 11, and after Mr. MacDonald and Mr. Henderson had paid their deferred visit to Berlin during the latter end of July, the Hoover Moratorium agreement was signed at London in behalf of Belgium, France, the United Kingdom, Germany, Italy, the United States and Japan. The British Dominions: Australia, Canada, India, New Zealand and South Africa; and Czechoslovakia, Greece, Portugal, Poland and Roumania also agreed to the recommendations.

Early in November, 1931, France announced her adherence to the Young Plan and pointed to the fact that no agreement could be arrived at by other Powers without her consent; this action followed Germany's request through the Bank for International Settlements for the setting up of a Special Advisory Committee to inquire into her ability to continue the payment of annuities under the Young Plan. On Nov. 15 informal discussions took place at a meeting of the League of Nations Council in Paris and two days later the United States Secretary of State, Hon. H. L. Stimson, despatched a new Memorandum to Europe making clear his country's contention that reparations and War debts must be treated separately. After extended negotiations between Germany and France first steps were taken on Nov. 20, at Basle, toward the convocation of a general Conference on the International debts problem in the light of recent economic developments. This was due to a Note from Germany to the Bank for International Settlements declaring her inability to pay the conditional annuities falling due in July, 1932.

On Nov. 30 M. Flandin, French Minister of Finance, discussed with the British Cabinet the financial and commercial position of Germany. Great Britain held that commercial debts incurred by Germany had priority over reparations payments. Short-term credits, at that time "frozen" in Germany, were due for settlement in February, 1932, whereas reparations payments were in no case due until July, (1932). It was pointed out that if Germany became insolvent in February, the prospect of any further reparations payments were remote. M. Flandin's view was that the question of priority was merely of academic interest as Germany could not pay anything to anyone, and cancellation of reparations would undermine the contractual foundations of post-war Europe.

During December, 1931, while the Bankers' Committee, set up at Germany's request, was convening at Basle, the British Government sent a Note to France expounding the view that reparations and War debts were the chief cause of the World economic crisis and that their removal or mitigation would be the most effective and quickest means of dealing with a growing menace to the World. At about the same time as the Committee's Report was made public Congressional ratification of the Hoover plan was finally achieved (Dec. 22) when the United States Senate by a vote of 69 to 12 endorsed the resolution already passed by the House of Representatives.

The gist of the Bankers' Report was that the adjustment of all reparations and War debts was the only step capable of establishing lasting confidence in Germany or elsewhere, and that such confidence was the root condition of economic stability. It was suggested that a Conference of the Governments interested should be held on Jan. 18, 1932, at Lausanne, with a view to the coming Assembly of the Council of the League of Nations close by at Geneva on Jan. 25. France was eager for discussions at the earliest possible date and invited a large number of nations to send representatives

to Lausanne. The British Government urged that the nations go to the utmost possible length to secure a definite settlement, because no temporary makeshift could restore economic stability in Germany. Dr. Brüning, Chancellor and Foreign Minister of Germany, issued a statement on Jan. 9, 1932, declaring that it was impossible for Germany to continue further "political" payments. This was resented in Paris as a "declaration of insolvency." On Jan. 12 France submitted to Great Britain a plan for a two-year moratorium on conditional annuities to be paid by Germany corresponding with Allied debt payments due to the United States; unconditional annuities to be met by creating German railway bonds equivalent to the annuity the railways paid to the B.I.S. under the Young Plan. To aid Germany it was proposed that payment of interest, amounting to 660 million *reichsmarks* annually, should not begin until 1934. If inter-Allied debts were cancelled it was proposed that the United States should be compensated by the allotment of a portion of the railway bonds. Great Britain suggested a long-term moratorium on all payments—a plan to which France would not agree. The opening of the Lausanne Conference was set over for a week in an endeavour to secure better understanding, but on Jan. 21 it was announced that the gathering was indefinitely postponed. On Jan. 22 the Committee of international bankers which had assembled at Berlin to investigate the possibilities of securing payment of short-term loans, "frozen" in Germany, agreed that an extension of one year would be necessary before they could be collected, and they could foresee no precise date when private obligations could be repaid.

On Feb. 12, 1932, it was announced that the obstacles to holding a Conference at Lausanne had been overcome by Great Britain after delicate negotiations and that the gathering would take place in June. On Apr. 10 the Fascist Grand Council, leading advisory body of the Italian Government, made an omnibus declaration on foreign policy, the first clause of which called for renunciation of reparations and cancellation of inter-state War debts. War debts were also the subject of much unofficial discussion by United States politicians throughout the Spring. It was announced from London that the British Government would not default but hoped for readjustment as the outcome of a world econmoic conference which it deemed necessary. On Apr. 20 the United States Department of State sent Notes to 14 European debtor nations, exclusive of Greece and Austria, requesting that acknowledgment of War debts be put in legal form. On Apr. 23 Hermann Dietrich, Finance Minister of the Reich, in a public speech said that Germany would not pay reparations and that the "natural death" of these obligations as well as of War debts, at the end of the Hoover Moratorium, was the only outlook. General default was the course open to Allied Powers indebted to the United States, he affirmed. On May 25 (1932) Sir John Simon announced that Great Britain had entered into an agreement with the United States to repay the arrears of $160,000,000 created by the Hoover Moratorium in ten equal annuities. It was explained that the agreement was "purely formal" and would not interfere with Lausanne discussions.

A new Cabinet was formed in France during the first week in June (1932), with Edouard Herriot as Premier, and on June 7 the Chamber, by an overwhelming majority, gave him a free hand to represent France at Lausanne. He announced that while he believed the way should be left open for negotiations over reparations he would stand fast against violation of existing treaties and contracts. M. Herriot also declared for a wider measure of disarmament. The British Prime Minister (Mr. MacDonald) met M. Herriot at Paris on June 12 and they proceeded to Geneva and Lausanne together.

Mr. MacDonald opened the Conference, at which 18 nations, including several British Dominions, were represented, on June 16. He pleaded for swift and resolute action. The sessions were held in private but an official *Communique* on June 17 stated that Rt. Hon. Neville Chamberlain, Chancellor of the Exchequer, had announced the willingness of Great Britain to forego

collection of debts due her, estimated at eight billion dollars, if other countries would do likewise. Mr. MacDonald presented a Franco-British proposal of an unconditional moratorium to Germany, in which Italy, Belgium and Japan announced their concurrence. M. Herriot, while admitting that Germany was unable to continue reparations payments for the present, said that cancellation was not the most urgent question before the Conference. He pointed out that if German railways were relieved of reparation charges of 660,000,000 *reichsmarks* a year they would be in a better position than French or British railways. On June 20 M. Herriot affirmed his position that France could not forego in its entirety the annuity of 359,000,000 gold *reichsmarks* guaranteed to her for 37 years under the Young Plan. On June 22 Mr. MacDonald and M. Herriot, advocating the abolition of the Young Plan, submitted a new scheme as follows: (1) suspension of reparations for one, two or more years; (2) deliveries in kind to be continued; and (3) at conclusion of the period of suspension France to ask that a final sum be spread among the United States and the recipients of reparations. Italy concurred and held further that the Hoover Moratorium should be continued until the return of relatively normal economic conditions.

Germany was brought into the discussions on June 26 after preliminary consultations between M. Herriot and Herr Franz von Papen (Chancellor of Germany since June 1). The latter asked complete annulment of reparations, a proposal immediately rejected by France. For several days collapse of the parley was feared. Mr. MacDonald laboured strenuously against such a catastrophe. France proposed as a compromise that Germany should deposit a bond for six billion gold *reichsmarks* with the Bank for International Settlements in *lieu* of reparations annuities, pending negotiations of revised debt agreements with the United States. Though urged by Great Britain to accept this plan, Chancellor von Papen took the position that reparations should be cancelled, and should not be linked up with Allied War debts.

A Special Committee representing the five chief creditor Powers instructed to frame a plan to which both France and Germany might agree, was set up on June 30. Under the conclusions reached the final liability of Germany was reduced to one billion dollars in bonds from the 33 billions agreed to under the Young Plan, these bonds to have no value for three years, and then only to be collectible if so ordered by the Bank for International Settlements. It was further proposed that one-third of the German payments then made should go toward an international loan for the reconstruction of Europe. Chancellor von Papen still held that the sum named was too high and demanded also that the clause in the Treaty of Versailles (1919), under which Germany admitted her War guilt, be eliminated. He claimed that at the time the German plenipotentiaries had signed under duress, in fear of renewal of warfare.

M. Herriot, on July 5 declaring that the claims of France must be satisfied, otherwise continuance of the Young Plan would be insisted upon, declined to re-open the question of War guilt. Agreement was finally reached on July 8, after unwearying efforts by Mr. Ramsay MacDonald. Great Britain, France, Italy, Belgium and Japan agreed to relinquish reparations by Germany which under the Young Plan would have continued for 55 years and amounted to about 25 billion dollars. For these were substituted a final German liability of about $750,000,000, secured by bonds to be issued whenever, in the opinion of the Bank for International Settlements, the financial position of Germany permitted. With the reparations slate clean, action by the United States on War debts was awaited, though, owing to the Presidential election campaign, this could not be expected for some months. On July 17 the Premier, M. Herriot, stated that France, in signing the Lausanne agreement, held that its observance was contingent on readjustments which practically wiped out France's debt to the United States; otherwise he would be forced to demand a return to the Young Plan.

The World Disarmament Conference

Preparations for a world disarmament parley called by the League of Nations to open in Geneva in February, 1932, continued throughout the latter half of 1931, the United States, on July 10, having accepted the League's invitation to send representatives. Pleas for armament reductions were made in public addresses by British statesmen of all parties during the critical midsummer financial period. On Sept. 14 Great Britain renewed a suggestion to the United States that she join in a disarmament move for the abolition of large battleships which were regarded as costly and obsolete. Despite counter agitation by the United States Navy League, Hon. Charles Francis Adams, Secretary of the Navy, announced that he had decided to abandon construction of six of eleven destroyers for which funds had been voted. In November, charges, which were proved false upon investigation, were promulgated, to the effect that the United States President (Mr. Hoover) had secretly agreed with the British Prime Minister (Mr. MacDonald) to abandon the naval ratios agreed upon in the Treaties of Washington and London. On Nov. 16 M. Briand (Chairman of the Council of the League of Nations) announced that a truce of one year in armament construction had gone into effect among members of the League, on the basis of agreements which had been signed a fortnight previously. Despite such covenants and pacts, it was estimated on the eve of the Conference that the World was spending four and a half billion dollars annually on armaments.

Opening at Geneva on Feb. 2, 1932, one hour later than had been originally planned, owing to an emergency meeting of the League Council which had been called by the British Government to discuss the Sino-Japanese dispute, the Disarmament Conference was the most impressive gathering that had been seen in Europe since the Peace Conference at Versailles (1919). Representing sixty nations the assemblage of two hundred and fifty delegates was presided over by Rt. Hon. Arthur Henderson who, while Foreign Secretary in the Socialist Government of Great Britain, had been selected at the meeting of the Preparatory Disarmament Commission at Geneva in November, 1930, as Chairman of the 1932 Conference. On the right of Mr. Henderson was M. de Montenach, the Secretary of the Conference, and on the left, Sir Eric Drummond (Canada), Secretary-General of the League. M. Motta (President of Switzerland) was elected Honorary President. Petitions presented to the Conference aggregated a total of eight million names of which 480,000 signatures were from the Canadian delegation which consisted of Rt. Hon. Sir George H. Perley; Hon. Maurice Dupré, Solicitor-General of Canada, and Miss Winnifred Kidd, President of the National Council of Women.

For France M. André Tardieu, Minister of War, advocated the creation of an international police force under the control of the League of Nations which would also direct all large armaments and all aeroplanes. It would have power to order forces for punitive expeditions but the use of poison gas, bacteria or incendiary materials either by aeroplane or artillery would be banned. He stated that France would gladly contribute troops to such a police force. The other Nationals received M. Tardieu's plan coldly, and Press comments on the French proposals in Germany, Great Britain and Italy drew attention to the fact that there had been no mention of reduction in armaments, with the exception of those references to aircraft and poison gas; and that the questions of trained resources and conscription and of the abrogation of those prohibitions imposed on the Central Powers by the Versailles Treaty had also been omitted.

Lord Cecil, on behalf of Great Britain, suggested that an all-round cut of 25 per cent. be made in the World's armament expenses. Sir John Simon (British Foreign Secretary) stated that his Government accepted, as the basis of future discussion, the Draft Disarmament Convention including, in general, the methods of limitation by reference to the establishment of maxima as contained in the Convention; that they were in favour of the establishment of

a permanent Disarmament Commission; that they urged the abolition of gas and chemical warfare, and the abolition of submarines; that they advocated the limitation of effectives, in connection with the abolition of conscription, by the most practicable course. He stated that Great Britain would co-operate in every method of agreed reduction in the size of ships and maximum gun calibre and would agree to prohibit land guns above a certain calibre. With regard to the technical side of the question the British Foreign Minister insisted that the establishment of a fair datum line was absolutely necessary for the practical application of a system of agreed limitation of armaments. On behalf of the United States, Hugh M. Gibson endorsed the suggested abolition of submarines and lethal gases; and he favoured Lord Cecil's plan of an all-round reduction. Italy based her proposals on the "qualitative reduction" principle and upon the disarmament clauses of the Treaty of Versailles which Signor Grandi (Foreign Minister) asserted "by abolishing the most distinctively aggressive means of warfare, afford us a practical example of what disarmament should be in the spirit of the League of Nations and the Kellogg Pact." The Japanese suggestions were, in general, similar to those of Great Britain. Germany's demand for equality was repeated and her proposal for general disarmament was more extreme than that of Italy; while Russia urged complete and universal disarmament.

On Feb. 13 direct negotiations to settle outstanding questions of naval disarmament between them, were re-opened by France and Italy and some days later, Count Rudolf Nadolay, on behalf of Germany, pleaded with other European powers to reduce their armaments to her level. Discussions continued for many days, and after reaching no conclusions the Conference took a recess from Mar. 17 to Apr. 11.

Hon. H. L. Stimson made his first appearance at the proceedings on Apr. 16, and held discussions with the representatives of all the greater Powers. The United States received the hearty support of Great Britain by extending her earlier suggestions so far as to propose abolition of aggressive weapons of land warfare such as tanks and heavy mobile artillery and gases. Italy took a similar position, but M. Tardieu (France) opposed these ideas as affording insufficient security. The British Prime Minister paid a short visit to the Conference on Apr. 21 and held a long discussion with M. Tardieu. Both were present at the session of Apr. 22 when a Resolution presented by Great Britain was passed, empowering the Conference to select and name weapons, the use and possession of which should be prohibited to all nations. Technically this Motion left the Conference free to discuss France's scheme of a League of Nations army. Deadlock over the latter proposal followed, the difficulty of achieving decisions being increased by the General Election in France. On Apr. 29, before leaving Geneva, Mr. Ramsay MacDonald called together representatives of the British, United States, French, German and Italian Governments and obtained an agreement to resume effective discussions in a fortnight's time.

Spokesmen for Great Britain and the United States during the first week of May (1932) defended the right of these Powers to large navies. Japan demanded the abolition of aeroplane carriers, a proposal to which the United States was strongly opposed. There was much conflict of opinion as to the use of submarines and mines. In a speech on May 18, Lord Cecil expressed his lack of faith in arms experts and said there would be no disarmament if the decision were left to them. Something practical was achieved on May 31 when the arms experts agreed to extend the age of battleships to 26 years, thus assisting a naval construction holiday. Great Britain also pledged herself to scrap all tanks over 26 tons. Mr. MacDonald and M. Herriot went back to Geneva again on June 13 in an endeavour to give the Conference a new lease of life and on the following day it was announced that as the various Committees had failed to achieve any real measure of agreement, the public work of the parley would be suspended indefinitely, although private parleys would be continued.

On June 22 President Hoover made a dramatic gesture by suggesting a one-third general cut in armament expenditures, resulting in a saving to mankind of fifteen billion dollars. The proposals were submitted to the Conference and only by France were they absolutely rejected. Great Britain gave a modified approval suggesting, however, that they did not go far enough. Italy was warm in her commendation and Japan, somewhat critical. The main obstacle in the eyes of the British Government was that a general plan such as that proposed might set back the German-French agreement then in course of incubation and of more immediate importance. Rt. Hon. Stanley Baldwin (acting Prime Minister) said that an arms cut, at least as great as that asked by the United States, was already the aim of Great Britain.

At Geneva on July 7 (1932) Great Britain submitted a plan for another Five-Power Naval Conference to effect further substantial naval reductions. At the same time the British Government extended a cordial welcome to the Hoover proposals, favouring general cuts in naval armaments which would strengthen defence and decrease power of attack. The British Government proposed that the maximum size of capital ships and air ship carriers be reduced one-third in dimensions. With regard to land armaments they would reduce tanks to 20 tons. In artillery 6.1 was suggested as a suitable maximum calibre and willingness was expressed that weight of aircraft be limited, pointing out, however, that more than any other power she relied on aircraft in the performance of her duties in mandatory regions and to police and control undeveloped regions.

On July 24 (1932) after being in session for nearly six months the Conference passed a general Resolution in favour of a substantial reduction in armaments and adjourned for an indefinite period with an understanding that a Committee of naval experts would meet in some weeks' time.

The League of Nations; European Union; and the Sino-Japanese Dispute

The Twelfth Assembly of the League of Nations convened on Sept. 7, 1931, with World depression and Disarmament dominating the *Agenda.* M. Titulescu of Roumania was re-elected President for a second term. The Session was principally notable for Mexico's acceptance on Sept. 8 of the invitation to join the League, overtures having been extended on the urgence of the five greater member Powers. Argentine and Brazil, who had some time previously withdrawn, were asked to rejoin. Economic questions formed the major discussions during the Session, and of particular importance was the attendance, as a member of the public, of Hugh Wilson (United States Minister at Berne) at the Third (Disarmament) Committee Meeting. Concentration on the Disarmament problem had been early urged upon the Members by Lord Cecil on behalf of Great Britain, and by Hon. Hugh Guthrie, Canadian representative, the latter declaring in a speech, which met with widespread support, that World peace was the all-important subject which the League had to consider and that endeavours should be made to place it on a firm and permanent basis. Opposition by France prevented the adoption of Italy's proposal for a Disarmament holiday until after the conclusion of the 1932 Conference. Before the adjournment of the Assembly, on Sept. 29, the Nations were asked to give Italy's proposal one month's consideration and to state their views by Nov. 1.

Another question to the fore during the Session was the consideration of the Commission of Inquiry for European Union. The Committee of Experts, appointed some months previously by the Commission, had made its Report to the Co-ordination Committee of that body on Aug. 30, 1931. It was unanimous that closer co-operation among the various States could not be achieved without greater freedom for the circulation of goods, capital and labour. It reviewed the disadvantages arising through Customs barriers. It also held that the time was not ripe for the establishment of an international

institute of credit. At the same time M. Maxim Litvinoff (Foreign Minister) on behalf of the Soviet Union, submitted a plan for a non-aggressive marketing pact among European nations. It was stated that Germany and Italy favoured such a scheme, but that other nations were more or less non-committal. The commercial pact between Austria and Germany, which had been under discussion for many months, was dropped after the ruling by The Hague Tribunal, to which it had been submitted, that it was a breach of the terms of the Treaty of Versailles. On Sept. 2 the Co-ordination Committee reported to the Commission that the psychological factor dominated the economic crisis throughout the World and that no single remedy was likely to bring relief from existing difficulties. In the following week a question of a regional tariff pact in Europe was discussed in the League Assembly when Hon. Hugh Guthrie, Minister of Justice and Attorney-General for Canada, stated that his country as a large wheat exporter could not feel herself bound by some of the recommendations of the European Commission. Sir Brojendra L. Mitter (India) also protested that regional agreements did not take sufficient account of non-European countries. Following some rather severe criticism on the part of certain delegates to the Assembly, the Commission was for the time being threatened by extinction. However, on Sept. 15 it was decided to renew it for one year.

The Council of the League, which had been in Session concurrently with the Assembly, dealt with the date of expiry of Britain's Mandate in Iraq. Lord Cecil had asked that an attempt be made to reach a concrete decision by January, 1932; it was decided, however, by the Council that the Mandate should expire on Sept. 1 (1932).

Japanese occupation of Manchuria, claimed by China as Chinese territory, was the principle subject of discussion by the Council and before adjourning on Sept. 30 Japan was asked to withdraw her troops and re-establish the *status quo* by Oct. 14, the date on which the Council would resume its discussions of the Sino-Japanese affairs. Japan having failed to take any steps of the kind when the Council re-assembled, a proposal to the United States to participate actively in the securing of a settlement of the controversy was accepted and Prentiss B. Gilbert, United States Consulate General at Geneva, took a seat at the Council table.

China had pressed for a literal observance by Japan of the clause in the League Covenant whereby member-nations agreed "to respect and preserve as against external aggression the territorial integrity of all members of the League." Japan, while not denying the validity of this agreement, held that there was in China no stable Government to maintain law and order, and that she was compelled to protect her nationals in Manchuria; that China was the aggressor by officially fostering hatred of Japanese influences and a boycott of Japanese trade, and finally that her treaty rights in Manchuria had been aggressively ignored.

After several unsuccessful attempts to effect a peaceful settlement the Council took a three-weeks' recess, re-assembling afterwards in Paris, and on Dec. 1, 1931, upon the proposal of M. Briand and Sir John Simon, it was agreed to appoint an International Commission to visit Manchuria and report on the issues involved. A Pact was also arranged whereby Japan should withdraw troops from the Chinchow area and China would guarantee protection against bandits to Japanese nationals in Manchuria, and when the Council adjourned on Dec. 10 it was assumed in the words of M. Briand that "war had been threatened and averted." But disturbances and armed clashes continued in Manchuria and fighting spread to the Shanghai area. At the end of January, 1932, when the International Settlement in Shanghai was threatened with injury, both Great Britain and the United States sent warships and additional troops to protect their interests. Though negotiations were entered into by the Great Powers, the proposals submitted were unacceptable to Japan who did not desire to tie up the Manchurian dispute with settlements relating to the Shanghai area. On the continued failure of foreign

diplomatic efforts to bring the opposing parties together, the Council decided to call a Meeting of the Assembly for Mar. 3 to take up the whole question of foreign intervention. Chinese resistance in the fighting area having proven unexpectedly strong, Japan's representative on the League Council on Feb. 29 provisionally agreed to a proposal for an armistice and a conference at Shanghai to restore peace; the acceptance of this was subsequently ratified in a *communique* from Tokyo.

On Mar. 11, 1932, the special Meeting of the League Assembly reached a formula of settlement unanimously supported by member-nations, with Japan and China abstaining, and approved by the United States. It provided: (1) condemnation of military aggression by declaring that agreements reached through military pressure would not be recognized; (2) acceptance of China's contention that the Assembly was competent to deal with the entire far-Eastern question; and (3) evacuation of Japanese forces in the Shanghai area through machinery of the Assembly.

Armistice negotiations at Shanghai reached a happy conclusion on Mar. 14 at a tea party given by Sir Miles Lampson, British Minister to China. It was agreed: (1) that Chinese forces were to remain in the positions they then held pending a settlement; (2) that Japanese troops should withdraw to the International Settlement and extra-Settlement roads, as on Jan. 28; and (3) that a general commission with neutral members should certify to withdrawals.

On May 5 an agreement was signed at Shanghai by representatives of China and Japan, largely through the co-operation of Great Britain, with the League Assembly as a party to negotiations by which Japan undertook to begin withdrawal of troops within one week. It was agreed also that a Joint Commission of European, United States, Japanese and Chinese members should watch over the gradual restoration of normal conditions and the Chinese agreed to send a force of special police to maintain order in the area north and west of Shanghai. Japan announced that she was bowing to world opinion and trusting to other nations to maintain Chinese integrity.

The League's Commission of Inquiry with regard to Manchuria, headed by Lord Lytton, which had left Europe *via* New York on Feb. 3, 1932, arrived in China on Mar. 14 and proceeded to make investigations of all points affected. It was announced that a Report might be expected by the end of August. On June 14 the Japanese Diet recognized the independent sovereignty of Manchukuo, as Manchuria was henceforth to be known, under the Presidency of a Manchu Prince, Henry Pu-Yi.

League Committees: Finance, Gold and Economic. The Report of the Financial Committee of the League which had met in Paris, Mar. 3-24, 1932, to consider, principally, the situation in Austria, Bulgaria, Greece and Hungary, was issued on Apr. 1. It stated that the measures, previously suggested by the Committee as being of possible assistance to the countries under consideration, had become increasingly insufficient owing to the serious deterioration in the world situation. In speaking of the failure of the several countries to meet their obligations the Report stated that while some countries might have over-borrowed and others might have failed to maintain budgetary equilibrium or to reduce cost, yet neither one of these two events, alone, would have been so serious had it not been for the collapse in world prices, wholesale prices of raw materials and foodstuffs (in gold) having fallen since 1928 by approximately 40 per cent. with a consequent increase in the burden of the fixed charge of producers. As an example, Bulgaria's volume of exports increased 80 per cent. in 1930 while their value dropped by 3 per cent.; in 1931 the weight was again increased by 40 per cent. while the value dropped by some 4 per cent. The Committee recommended the guaranteeing of loans, the proceeds of which should, under appropriate conditions, be placed at the disposal of certain Governments requiring financial assistance.

The return to the gold standard, with a reduction of the reserve ratios by which most central banks were bound, was one of the main recommendations contained in the official Report of the Gold Delegation appointed by the Financial Committee of the League of Nations in 1929 and published on June 9, 1932. Some of the members of the Delegation were not in agreement with this statement, notably the Chairman, M. Albert Janssen (Belgium), Sir Reginald Mant (India), and Sir Henry Strakosch (South Africa). The Delegation was "impressed by the practical difficulties and dangers of regulating currencies which are not on a common world basis and by the very great desirability of agreement upon an internationally-accepted standard in order to facilitate the free flow of world trade." The Report laid down the following main conditions which were necessary before any such restoration could be expected: (1) the restoration of a reasonable degree of freedom in the movement of goods and services; (2) a satisfactory solution of the problem of reparation payments and world debts; (3) agreement concerning certain guiding principles in respect of the working of the gold standard system. Statistics were given of the total supply of monetary gold in the world, of the amount of new production, of the gold tempted from hoards in the Far East, and the amount of hoarding in Europe, which in the latter half of 1931, was estimated at $400,000,000. Regarding the suggestion of action to be taken to raise prices, it deemed a rise desirable but did not expect "monetary policy alone to adjust the price level which is influenced by many non-monetary factors." Where credit contraction had gone to extremes the Report declared it was imperative for the Central Bank to do what it could to check it and sometimes to take the initiative in encouraging a freer use of credit.

The Economic Committee of the League, which had met from June 2 to June 4, 1932, completed its Report to the Council on the existing economic situation and issued it on June 5. Alarm was expressed at the growing gravity of the world's financial, industrial and commercial situation, and it declared that a "courageous programme" of international economic co-operation was more necessary than ever. The number of unemployed had more than doubled since 1929; the value of international trade at June, 1932, was only one-half, or, perhaps, less than half of what it was in the first quarter of 1929. According to the figures of the International Labour Office, from 20,000,000 to 25,000,000 persons were at June, 1932, without work. The Committee was convinced, even more than it had been in January, 1932, that the individual actions of States—necessarily limited to defence and inevitably counteracted by other States—superimposed one on the other, only aggravated the situation. The Report gave the following figures on the shrinkage of international trade between 1929 and 1931: United States, 63 per cent.; Germany, 49 per cent.; Spain, 70 per cent.; France, 51 per cent.; Great Britain, 45 per cent.; Italy, 46 per cent. The total world trade was $31,000,000,000 in 1929, and $18,000,000,000 in 1931, while figures, to June, 1932, indicated a total world trade of only $15,000,000,000 in 1932. The Report stated that national "restrictive and obstructive" measures rapidly were strangling international commerce.

On May 19, 1932, a memorandum from Great Britain was presented to the League Council asking that a committee be appointed to ascertain what economies could be effected in the cost of conducting the League, which had been growing extensively. Sir Eric Drummond, Secretary-General, stated that certain economies had been provided for, but that the increased costs had been due to the policies of the major governments constituting the League, and not to its executives. In the previous January Sir Eric had resigned but consented to continue in office until the crucial condition of affairs in Europe and Asia had passed. On his suggestion a Committee of Economies was appointed in order that the member-nations might learn just how and why League moneys were spent.

League of Nations Society in Canada. The Annual Report of the Society for the year ended Apr. 30, 1932, referred to the part played by the

Society in the proceedings of the 12th Assembly of the League of Nations which met on Sept. 17, 1931, and also in those of the Special Session called on Mar. 3, 1932, to deal with the Sino-Japanese problem. The Society undertook to circulate in Canada the Petition for World Disarmament by International Agreement with the result that when the Petition containing 8,000,000 names was presented at Geneva, 500,000 were from Canada, that country coming fifth among the nations of the world.

At the end of the year the total number of members amounted to 5,553, a reduction of 768 over the previous year, 1,769 having failed to renew their membership and 1,001 new members having been secured. Keen regret was expressed at the death of Rt. Hon. Sir George E. Foster, a member of the first Executive of the Society and President from 1925-29; and also at that of Lieut.-Col. G. M. Colman, Secretary-Treasurer of the Victoria Branch of the Society. At the Annual Meeting of the Society held in Ottawa, May 11, 1932, Sir Robert Borden expressed the belief that the League of Nations was educating the nations to live in co-operation and that it was the greatest human agency for preserving the peace of the world, as was evidenced by the situation in Manchuria which would have been infinitely more serious had it not been for the efforts of the League. H. M. Tory, D.SC., F.R.S.C., was re-elected President of the Society, and three new names were added to the Officers. Hon. Hugh Guthrie, Minister of Justice, was elected Honorary Vice-President; H. J. McNulty of Oshawa, became Honorary Treasurer, and John W. Dafoe, Editor of *The Winnipeg Free Press,* Winnipeg, was chosen as a Vice-President.

The Danubian Conference. In March, 1932, M. André Tardieu of France made the suggestion that owing to the financial straits in which they were plunged the Governments of Austria, Czecho-Slovakia, Hungary, Roumania and Yugo-Slavia should consult among themselves without delay with a view to preferential measures for the mutual benefit of their commerce. A four-power Conference of Great Britain, France, Germany and Italy was called to meet on Apr. 6 to consider what could be done for these countries and on Apr. 4 M. Tardieu and M. Flandin (French Minister of Finance) visited London to lay a plan for a Danubian trade federation before the British Government. The British Prime Minister held that the scope of the Conference should be widened to include all European problems, including debts and armaments. The Conference opened in the British Foreign Office on Apr. 6 and financial *memoranda* from the various States affected were submitted. On the following day it was reported that the discussions had resulted in nothing, owing to the refusal of Germany and Italy to waive their rights to most favoured-nation treatment by countries of the Danubian group. It was ascertained also that there were differences of opinion among Danubian countries as to just what form of economic pact would suit them. Consequently after occupying considerable attention in Europe for several weeks, interest in the proposals lapsed.

Treaties, Conventions and Trust Agreements

Canada, as usual, figured prominently in the signing of numerous International Treaties, Conventions and Trust Agreements, during the period from July 1, 1931, to June 30, 1932. According to the Report of the Secretary of State for External Affairs, those signed for Canada were as follows: (1) the accession of His Majesty the King, in respect of the Dominion of Canada, to the General Act (Pacific Settlement of International Disputes), subject to certain reservations,—deposited at Geneva on July 1, 1931; (2) a Convention for limiting the Manufacture and regulating the Distribution of Narcotic Drugs,—at Geneva on July 13, 1931; (3) a Protocol for the Suspension of Inter-Governmental Debts, falling due during the year ending June 30, 1932, in respect of the obligations of Germany,—at London on Aug.

11, 1931; (4) a Protocol for the Suspension of Inter-Governmental Debts falling due during the year ending June 30, 1932, in respect of the obligations of Czecho-Slovakia,—at London on Aug. 11, 1931; (5) an International Convention for the Regulation of Whaling,—at Geneva on Sept. 25, 1931; (6) an agreement in regard to Contributions to the Imperial War Graves Endowment Fund,—at London on Oct. 22, 1931; (7) an Exchange of Notes constituting a temporary commercial agreement between Canada and Brazil,—at Rio de Janeiro on Dec. 4, 1931; (8) notice was given by the Government of Canada on Dec. 16, 1931, of the termination six months after that date of the Convention of Commerce concluded between Canada and France on Dec. 15, 1922; (9) a Postal Convention was signed at Madrid, Nov. 10, 1931—Parcel Post Arrangement—and the Final Protocol was acceded to by Canada on Jan. 18, 1932; (10) a Protocol for the suspension of Inter-Governmental debts with regard to the obligations of Hungary,—at London, on Jan. 21, 1932; (11) a Protocol for the suspension of Inter-Governmental debts with regard to the obligations of Bulgaria,—at London, on Jan. 21, 1932; (12) Notes were exchanged at Ottawa on Mar. 29, 1932, between Canada and Italy for the exemption from double taxation of shipping profits; (13) a Trade Agreement with New Zealand,—at Ottawa and Wellington on Apr. 23, 1932; (14) Notes were exchanged at Washington, on May 5, 1932, between Canada and the United States in connection with the nationalization of radio broadcasting in Canada; (15) a Protocol, additional to the Protocol concerning Germany (suspension of Inter-Governmental debts signed at London, Aug. 11, 1931),—at Berlin, on June 6, 1932; (16) a Protocol supplementing the Protocol concerning Czecho-Slovakia (suspension of Inter-Governmental debts signed at London, Aug. 11, 1931),—at Lausanne, on June 29, 1932.

The St. Lawrence Deep Waterway Treaty; Other Canadian-United States Relations

While the United States Note to Canada dated Sept. 2, 1930, signifying the former's readiness to proceed with the proposed development of the St. Lawrence Seaway at the earliest possible date, and asking whether the Canadian Government were in a position to appoint Commissioners to discuss jointly the details of the Seaway, had been briefly acknowledged on Sept. 10, 1930, by Hon. R. B. Bennett, as Secretary of State for External Affairs, it was not until Oct. 7, 1931, that the Canadian Government dispatched a reply. It was, in effect, that they were prepared to proceed with negotiations for a treaty for the joint development of the St. Lawrence Waterway, such negotiations, in the initial stages, to be by means of direct and verbal exchanges of views between the two Governments. In July, 1932, after months of international and Dominion-Provincial discussions, a Treaty was finally signed by the two countries.

Negotiations which led to the Treaty commenced with a Conference at Washington on Nov. 14, 1931, between Hon. W. D. Herridge, Canadian Minister to the United States, and Hon. H. L. Stimson, United States Secretary of State. On the following day an official statement from the Department of External Affairs explained that the discussion had covered the question of the International Rapids Section of the waterway; that while the purely Canadian part of the undertaking was regarded as a matter of domestic concern for Canada, consideration had been given to the work which had been done or projected by both countries in their respective national sections and which would serve as essential links in the development of a waterway from the head of the Lakes to the tidewater; that arrangements had been made for the immediate reconvening of the Joint Engineering Board with a view to ensuring agreement upon the general form of development to be undertaken, and as to which some divergent views had existed in the 1926 Report of the Board; and that the discussion had covered the allocation of work and division of costs.

The question of the proposed Treaty came up in the Canadian Parliament during the 1932 Session. In the House of Commons both the Prime Minister and the Opposition Leader, in the Debate on the Address-in-Reply to the Speech from the Throne which had made mention of the negotiations in progress, dealt with the matter. Rt. Hon. W. L. Mackenzie King (Liberal Opposition Leader) declared that it would have been advisable before proceeding with negotiations to have awaited the Report of the Transportation Commission which might cover the effect of waterways on the Canadian railways. Rt. Hon. R. B. Bennett (Prime Minister) drew the attention of the House to the fact that while there was no need, perhaps, for the matter to be rushed in any way yet the completed Welland Canal and the 27-foot waterway to Albany made it essential "that now, and at no other time we should consider it." On May 25, in answer to certain protests of Hon. J. L. Ralston, former Minister of National Defence, Mr. Bennett replied that "a treaty is a contract between States; it is a question not of concession but of agreeing upon terms" and he stated emphatically that trade between the two countries could not be a consideration in drawing up the Treaty. Toward the end of the Session (May 16, 1932) a Debate on the question took place in the Senate in connection with a Resolution introduced by Hon. J. P. Casgrain, which proposed that there should be no further negotiations with the United States in respect of the St. Lawrence Waterway until the Senate had considered the manner in which other treaties with the same country were being carried out. Particular concern was voiced in connection with the diversion of water from Lake Michigan at Chicago. (See Section: Federal Administration and Politics).

Determined opposition to the waterway scheme both with regard to navigation and power development was the attitude of the Province of Quebec, from the beginning to the end of the negotiations. A Motion introduced in the Legislature during the 1931-32 Session (Nov. 13, 1931) by Hon. Athanase David condemned the project as premature, costly and unnecessary and protested against the fact that the Provincial Government had not been invited to take part in the negotiations. When the Assembly reconvened after the New Year the Motion was adopted (Jan. 14,) by a vote of 54 to 7, the Conservative Opposition Leader voting with the Government (See Section: The Province of Quebec). A few weeks later (Feb. 10, 1932) a Resolution was introduced in the Legislature by J. Paul Sauvé (Con., Two Mountains) regretting that the Provincial Prime Minister (Hon. L. A. Taschereau) had not tabled a Note, dated Nov. 10, 1931, which he had received from the Dominion Prime Minister and which advised him that negotiations were to be instituted with regard to the St. Lawrence waterway's development and which stated that Quebec would be invited to confer on those proposals that involved the interests of the Province. Mr. Taschereau then tabled Mr. Bennett's letter, which was marked 'Confidential,' and his own reply. An Amendment to the Motion was passed regretting that the production of the letter had been insisted upon and requesting that the Government grant no power rights on the St. Lawrence without the permission of the Legislature. The Main Motion of Mr. Sauvé was subsequently defeated.

Under date of Dec. 31, 1931, the Dominion Prime Minister had written to Mr. Taschereau advising him of the action which had so far been taken by the Dominion Government and requesting the Quebec Prime Minister and one or two of his colleagues to go to Ottawa on Jan. 14, 1932, to confer with him as to the attitude of their Province. Mr. Taschereau's reply, which appeared in the Press on Jan. 14, was to the effect that while he appreciated being given the opportunity to discuss with the Dominion Government the Quebec aspects of the proposed development he regretted that such an opportunity had not been offered to the Provincial Government at an earlier stage of the negotiations; that if this had been done it might have thrown much light on the discussion then pending before the Provincial Legislature

on the important and vital matter concerning the Province. He stated that he felt rather alarmed that Quebec had been completely ignored in the negotiations so far held between the Governments of Canada and the United States and that President Hoover's message to the United States Congress had been the first official information that the Quebec Government had received with regard to the discussions. Mr. Taschereau intimated that as the Quebec Legislature was in Session it might not be possible to go to Ottawa but that at a later date he would inform the Dominion Prime Minister.

Two months later (Mar. 14) the desired conference took place at Ottawa when Mr. Taschereau took the stand that any agreement entered into between the Dominion of Canada and the United States with regard to the canalization of the St. Lawrence River and development of hydro-electric power in the International Rapids Section of the River should first be ratified by the Legislature of the Province of Quebec in order to protect the interests of that Province. Later, in a Press interview the Quebec Prime Minister stated that both Provincial Liberals and Conservatives joined in the stand that Quebec had prior rights. He pointed out that the Beauharnois Power development plan entered into the discussion by reason of the fact that if the St. Lawrence River were canalized by both Canada and the United States and an agreement were made as to development of hydro-electric power in the International Rapids Section of the River in Ontario, the strength of the River's current through Quebec would be so reduced as to jeopardize, perhaps, the Beauharnois project which was solely a Quebec enterprise. If this happened hydro-electric development possibilities at Beauharnois would be minimized, power development would be reduced and industrial Quebec would suffer at the expense of Ontario and the United States, (*The Gazette,* Montreal, Mar. 16, 1932).

A letter dated Mar. 26, containing the views of the Quebec Government on the plans proposed by the Dominion Government, was sent to Mr. Bennett by Mr. Taschereau. The main points stressed in the letter were: (1) the cost of the undertaking; (2) the fact that no benefit would accrue to Quebec, British Columbia nor to the Maritime Provinces and very little to the Western Provinces although they would all have to contribute; (3) that, so far as navigation was concerned only the Middle Western States would profit; (4) that, as the River route would be closed five months of the year, it would never be able to meet even its expenses; (5) that it would create a ruinous competition with the railways, whose situation was already grave; (6) that it was scarcely practical to give the United States such a foothold in Canadian territory, by letting them bear most of the cost of development; (7) that there was a possibility that the undertaking might diminish the level of the River at and below Montreal; (8) that the 10,000,000 h.p. in Quebec should be developed rather than the 2,000,000 h.p. in the international zone; and finally "that the contribution by the whole of Canada and, consequently, by Quebec and the other Provinces which are not interested, for the purpose of giving 1,000,000 h.p. to Ontario is a supreme injustice to us. Practically you give to that Province, at our expense, electric power cheaper than we can produce it, because all this energy will go to the Ontario Hydro which pays no tax, whilst the Quebec companies are heavily burdened." (*The Montreal Daily Star,* Mar. 30).

In later statements in the Press on July 14 and 15, 1932, on the eve of the signing of the Treaty, Mr. Taschereau asserted once again that Quebec had not been consulted during the negotiations and denounced the policy as a "national crime," giving four reasons for his condemnation, substantially the same as those already cited in his letter of Mar. 26 (1932) to Mr. Bennett. One additional objection stated, however, was that it made available to the United States, 1,000,000 h.p. which would prevent the establishment of industries in Quebec by that country as had been done in Lake St. John and in the St. Maurice district in the Eastern Town-

ships. (*The Mail and Empire*, Toronto, Canadian Press Dispatch, July 15, 1932).

The Report of Sir Alexander Gibb on Canadian port conditions, tabled in the House of Commons in April, 1932, maintained that the development of the St. Lawrence would not affect Montreal's position as Canada's principal ocean port. Large ocean-going vessels he declared, could never compete to advantage with the smaller type of lake vessels, specially built to navigate inland waters and any attempt to do so would necessitate a much larger fleet or the abandonment of existing schedules.

A United States-Dominion-Ontario Conference took place at Ottawa on Jan. 13, 1932, when those attending were: the Dominion Prime Minister (Mr. Bennett), Hon. George S. Henry, Prime Minister of Ontario; Rt. Hon. Arthur Meighen and Hon. J. Robert Cooke of the Ontario Hydro-Electric Power Commission; Hon. William Finlayson, Minister of Lands and Forests for Ontario; Hon. W. D. Herridge, Canadian Minister to Washington, and Hon. Hanford MacNider, United States Minister to Canada. Technical experts from the Dominion Water Power Branch and the Department of Railways and Canals were also present. Following the Conference it was officially announced that Ontario's interests in the International Section had been discussed; that the Meeting had been held in accordance with Mr. Bennett's intimation to the Provinces concerned some months before that their rights and interests in the St. Lawrence would be a matter of conference; that further meetings would be held with Ontario and Quebec. In a statement to the Press, Mr. Henry (Prime Minister of Ontario) stated that he was unable to say how much money would be saved by the development by both power and navigation but that it would run into many millions of dollars. "We don't anticipate any difficulty in the power paying for its own cost" he declared, "and in no way will it be charged with any part of the navigation costs." (*The Mail and Empire*, Toronto, Jan. 15, 1932). Nearly four months later, on May 3, it was announced that, after long negotiations on the subject, the Dominion and the Ontario Governments had practically reached agreement with regard to plans for the Ontario side of the International Rapids Section of the waterway, Mr. Henry and officials of the Hydro-Electric Power Commission having been again in Conference at that date with the Dominion Government.

Parallel to the opposition voiced by the Province of Quebec to the steps taken by the Dominion Government toward concluding the St. Lawrence Treaty was that of New York State to the action of Mr. Hoover and Congress. Controversy arose at the outset over the fact that direct negotiations were being conducted between the two diplomatic representatives, Hon. Hanford MacNider and Hon. W. D. Herridge, rather than by a Commission on which New York would be represented according to the original plan. At the Annual Meeting of the New York State Waterways Association on Oct. 26, 1931, the President, Peter G. Ten Eyck, vigorously denounced the proposed scheme as a "menace of our commerce and transportation facilities." In an open letter of Nov. 4 to Frank P. Walsh, Chairman of the Power Authority of New York, Hon. H. L. Stimson, United States Secretary of State, declared that it was "unnecessary and unwise to attempt to arrive at any agreement . . . . with the State of New York, until at least substantial progress has been made towards the conclusion of a treaty between the United States and Canada." At a special Meeting on Dec. 3 of the Great Lakes-St. Lawrence Tidewater Association, at which twenty-three States were represented, a resolution was passed urging the United States President to proceed immediately with the drafting of a Waterway treaty for the development of the St. Lawrence, the Association pledging itself at the same time to exert every effort to obtain "a definite and satisfactory treaty . . . . signed and ratified by the two nations." As to United States Press comment, certain sections claimed that a St. Lawrence waterway was one of President Hoover's campaign promises and

it was believed that a Treaty would be of use to him in the Middle West in the 1932 Presidential Election.

The alternative threat of the development by the United States of an All-American canal from Lake Ontario to Albany was held out as another very good reason why Canada should immediately conclude a St. Lawrence Treaty while the United States was still favourable. Although the cost of the former project to the United States would be so great as to almost negative such a possibility, it had many enthusiastic adherents especially in New York State.

The attitude of Canadian newspapers to the waterway scheme reflected the various trends of thought throughout the Dominion. *The Gazette* Montreal, was strong in its denunciation. In its issue of Nov. 10, 1931, an editorial commented on the irreconcilability of the resolution passed by the 1927 National Liberal-Conservative Convention in Winnipeg,—which had declared that "the St. Lawrence Canal system, as an all-Canadian project, should be developed in the national interest, and as and when conditions warrant," and that, "in such undertaking, the sovereign rights of the respective Provinces in the development of power should be protected"—with the "Dominion Government's action in opening negotiations with the Government of the United States looking to an international development, and without any preliminary consultation with the interested Provinces, without even conveying to those Provinces any intimation that negotiations were to be undertaken." With the conclusion of the negotiations in sight an editorial in *The Gazette* of June 6, 1932, welcomed what it hoped would mean "the emergence of the waterways plans and proposals into the light from the shadow, if it signifies an approach to lucidity from ambiguity, a confrontation of realities and the abandonment of an attitude which, we are told, has latterly been to 'totally ignore Quebec.'"

The Manitoba Free Press on Oct. 9, 1931, rejoiced that the power interests of Quebec were no longer going to be allowed, under specious protests, to hold up the construction of the Seaway with the incidental development of power. An editorial of June 6, 1932, referring to Mr. Taschereau's letter of Mar. 26, to the Dominion Prime Minister, stated that "the nature of Mr. Taschereau's protest is the best evidence that the Canadian Government is now prepared to make with the United States that fair and open arrangement which could have been made any time these last three years had it not been successfully blocked by a remarkable bi-partizan combination. The game is up; hence Mr. Taschereau's petulance and tears." *The Free Press* declared that Quebec's opposition arose from the fact that "if Ontario could get over a million cheap horse-power from the St. Lawrence within the Province, good-bye to the chance of making contracts for long periods at profitable rates with the Ontario Hydro. The Quebec power trust was not prepared to forego its harvest, and it organized an opposition which for subtlety, unscrupulousness, resourcefulness and effectiveness has never been surpassed in Canada or elsewhere. The opposition took many forms (the camouflage being exceptionally extensive and varied): but always in every form it was inspired and directed by the interests behind the Quebec power companies." *The Calgary Herald* asserted that there were "many fellow-Canadians who would like to know the reasons for the urgency in going ahead with the scheme in this period of declining national and individual revenues. They would like to know what is behind the sudden Canadian acquiescence to the pressure from across the border. The deepening of the waterway has been held up for a number of years. It would seem it could be held up for several more years." *The Globe, Toronto,* (Feb. 12, 1932) declared that "*The Globe* has not wavered in its view that the St. Lawrence Seaway development is essential and is glad to commend Premier Bennett for his vigorous and consistent pursuit of its promotion. It would urge, however, that the greatest of caution be exercised in order that Canada assume no obligations to the United States concerning any Canadian national

waters other than the right of navigation already conceded by treaty on terms not unfavourable to Canada."

Finally, on July 18, 1932, a Treaty between Canada and the United States providing for the construction of the long contemplated St. Lawrence River deep waterway was signed at Washington by Hon. W. D. Herridge, Canadian Minister Plenipotentiary to the United States, and Hon. H. L. Stimson, Secretary of State of the United States. The agreement, entitled "The St. Lawrence Deep Waterway Treaty" brought to the point of realization a dream entertained in both countries for something like half a century, the dream of a through water route between the middle of the Continent and the Atlantic Ocean.

The Treaty consisted of ten articles, and provided for a joint undertaking only on the International Rapids Section of the St. Lawrence River. It was made in accordance with terms proposed by Canada, and it adopted the Canadian engineering plan of a two-stage development. The undertaking was divided into three sections, namely, the canal and works on the Canadian side below Oak Point opposite Crysler Island, the canal and works on the United States side above Oak Point opposite Barnhart Island, and the River works. Each country was to construct the canal and lock on its side and the works required for rehabilitation at its own expense. The River works in the International Rapids Section were to be constructed by a commission to be known as "The St. Lawrence International Rapids Section Commission," to be composed of ten members, five to be appointed by each country, and the works to be provided out of funds furnished by the United States. The parts of such works as were to be within Canadian territory, or an equivalent proportion of the total works, were to be executed by Canadian engineers and Canadian labour and with Canadian material, and the remaining works, by United States engineers and labour and with United States material. These works included the necessary provision for power development as well as navigation, but not power house superstructures and equipment, each Party having to construct and maintain its own superstructure and equipment as might be desired for the development of power. After completion each country was to maintain and operate the works in its territory. The quantity of water utilized for power production on either side of the international boundary was not to exceed one-half the flow available for the purpose. During and after completion of the work the flow of water out of Lake Ontario was to be regulated so that the navigable depths of water for shipping at and below Montreal should be maintained. It was provided that no proprietory rights or jurisdiction of any kind should be conferred on either Party in the territory of the other. The Treaty stipulated that either country might proceed at any time to construct alternative canal and channel facilities for navigation in the international section or in waters connecting the Great Lakes and should have the right to utilize for the purpose such water as might be necessary.

By the Treaty provision was made for international control, if it should be necessary, over the diversion of water from the Great Lakes system through the Chicago drainage canal. It was provided that this diversion should be reduced by Dec. 31, 1938, to the quantity permitted as of that date by the decree of the Supreme Court of the United States of Apr. 21, 1930, and that in the event of the United States Government proposing an increase in this diversion in order to meet an emergency and of the Government of Canada taking exception to such increase the matter should be submitted for final decision to an arbitral tribunal. This tribunal should be empowered to authorize an increase in the diversion for such time and to such extent as was necessary and to stipulate such conpensatory provision as it might deem just and equitable. The tribunal was to consist of three members, one to be appointed by each Government, and the third to be selected by the Governments jointly. Works in the Niagara and St. Clair rivers designed to compensate for the diversion at Chicago and to

restore and maintain lake levels were to be undertaken at the cost of the United States. It was agreed that diversions made into the Great Lakes system from water-sheds lying wholly within the borders of either country should accrue to the benefit only of the country making the diversion in respect of additional water thus made available for power development along the international section.

The Treaty was made on the understanding that Canada was to complete the waterway through the wholly Canadian section within the Province of Quebec and that the United States was to improve at its own expense the navigation facilities above Lake Erie. In the official estimates of the cost of the undertaking the cost to Canada was given as greatly less than sums which had been mentioned in connection with the project. The net new capital cost to the Dominion of the whole waterway was placed at $38,071,500. This was made up of $22,320,000 required in the International Rapids Section on account of property damages, rehabilitation works and the lock navigation canal at Crysler Island, plus $82,954,000 for the locks and canals in the wholly Canadian section lying within the Province of Quebec, less $67,202,500 to be paid by Ontario to the Dominion on account of power works in the international section. This net total might be reduced to $33,838,500 if the necessity for a guard lock in the Beauharnois Canal was eliminated. Canada had been credited, in the division of cost, with the expenditure on the new Welland Ship Canal, $128,000,000. The net cost to the United States was made up of $65,100,000 for channel deepening and other works in the upper Lakes section and $178,561,000 in the International Rapids Section, a total of $243,661,000. These figures did not include the cost of power house machinery or equipment necessary for the development of power, as this was to be financed independently of the Treaty, in the case of Canada by Ontario.

An agreement between the Dominion of Canada and the Province of Ontario had been previously signed on July 11, 1932, relative to the construction of and payment for the necessary navigation and power works in the International Section. The Dominion agreed to make available to Ontario for the development of power the Canadian share, amounting to one-half of the flow of water in the International Rapids Section while Ontario was to furnish to Canada at cost such power as might be required from time to time for navigation purposes in that Section. The cost of the construction of the power works and Ontario's share of those works to be used in common for both navigation and power would amount to $67,202,500, payment to be made principally in two instalments, the sum of $27,115,700 (Crysler Island development) on Nov. 1, 1938, (to be deferred if desired until 1942) and the sum of $35,846,000 (Barnhart development) three years after the first payment. The total of $67,202,500 included certain contingent items for deferred and emergency services estimated at $4,240,000. It was further agreed that, upon the completion of the payments to be made by Ontario to Canada, Ontario should be deemed the owner of the power works on the Canadian side of the International Boundary and of the Canadian share of the power in the International Rapids section and should also be deemed to have, solely for power purposes, the perpetual right to the use, in common with Canada, of the common works constructed in the International Rapids section; and Canada would, upon completion of the payments, execute a declaration of trust assuring Ontario of these rights. Canada, on her part, would be responsible for the cost of the navigation works and for her proper share of the costs of the common works. The agreement was subject to the approval of the Parliament of Canada and of the Legislature of Ontario.

According to a supplementary statement of the Prime Minister of Ontario (*The Mail and Empire*, July 21, 1932) the engineers of the Hydro-Electric Power Commission of Ontario, who had been advising the Ontario Government throughout the negotiations with the Dominion, estimated that under the agreement between the Dominion and Ontario, the Province would have

available, on the completion of the works, an output of 1,000,000 h.p. at an ultimate expenditure of $120,000,000.

On the day the Treaty was signed the Prime Minister of Canada issued a statement in which he said that the Treaty fulfilled a pledge he had made at Winnipeg on June 9, 1930, and that it embodied the principle of a Resolution passed at the Conservative Convention in Winnipeg in 1927. He stated that the Government was fully satisfied as to the cost estimates for the undertaking. Compared with the enormous advantages which would accrue to Canada from the completion of the waterway and compared with amounts of cost forecast by uninformed persons the net cost to Canada appeared inconsiderable. He explained that Canada had already spent vast sums in anticipation of the Treaty. The value of the Welland Ship Canal was negligible until it could be used as a unit in the waterway; while its use could be directed to the development of an alternative route through the United States if it were not employed as it would be in consequence of the Treaty. The Prime Minister pointed particularly to the settlement of the long standing controversy over the Chicago diversion which diversion for the first time in history was placed under international control. Satisfaction was expressed that should the Ogoki River in Northern Ontario be diverted into the Great Lakes system the benefit as a power resource would accrue to Canada; it was estimated that such diversion would produce an additional development in Ontario of about half a million horse power. Mr. Bennett said the Treaty fulfilled one of the objects of Confederation in more closely linking the parts of Canada and providing for improved transportation East and West; it was in the interests of Canada as a whole. He referred to the vigorous opposition that had emanated from certain quarters in Canada to the making of the Treaty and stated that the Government had come reluctantly but inescapably to the conclusion that it was inspired solely by the fear that certain monopolistic and class privileges would thereby be injuriously affected. That consideration, he said, had no weight with the Government. The water power incidentally developed was for the people of Ontario and Quebec. "This Government will not tolerate interference by big interests and their allies with our sworn duty to the country as a whole," the Prime Minister said. "These are anxious times. The need of Canada compels our undivided support. Those who prefer their own welfare to their country's may expect just that measure of consideration which their actions merit." For several reasons, Mr. Bennett said, the Treaty was timely. Among these was the existing inactive investment in the Welland Canal, the existing low cost of construction, the need for employment and for a stimulus to those industries whose products would be used in the undertaking. But it was especially timely in that it manifested Canada's confidence in the future. The country had it within its means to make the St. Lawrence valley one of the great industrial centres of the world, through cheap power and cheap transportation. The new agreement, he declared, was a proclamation of Canada's maturity.

The Prime Minister explained that the Treaty would be submitted to Parliament for consideration after it had been ratified by the Senate of the United States.

International Joint Commission. The International Joint Commission reported that during the twelve months ended June 30, 1932, a number of hearings had been held in connection with cases brought before it either by the two national Governments or by private corporations, but none were finally disposed of except the applications of the St. Croix Water Power Company and the Sprague's Falls Manufacturing Company, Limited, which were granted in October, 1931. These applications were for authority to raise the dam, in order to increase the storage, on the St. Croix River, which forms part of the boundary between Maine and New Brunswick. Permission for the construction of this dam had been secured from the Commission by the same Companies in 1915.

In the matter of the measurement and apportionment of the waters of the St. Mary and Milk Rivers, in Montana and Alberta, the Commission held two meetings, in October, 1931, and February, 1932. The final hearing in the reference relating to levels of Rainy Lake and the boundary waters above that Lake had not been held at June 30, 1932.

In February, 1932, the West Kootenay Power and Light Company, Limited, filed with the Commission its amended Application for approval of a dam for power purposes on the British Columbia side of the Kootenay River at Corra Linn, and for the right to store water in Kootenay Lake. The original Application of the Company had asked permission to build a dam at or near Granite, British Columbia, a short distance above "the present proposed works." This Application was held at Bonners Ferry, Idaho, in November, 1929, when at the request of the State of Idaho, a decision was deferred to give the engineers of Idaho and of the United States Government an opportunity to study the effect of the proposed dam on reclamation works in the State of Idaho. The amended Application which somewhat changed the situation necessitated a further hearing.

The Commission had before it since the beginning of 1929 an investigation of a drainage problem on the Roseau River, which flows through part of northern Minnesota into Manitoba, and empties into the Red River. Canadian and United States engineers had been making a careful study of the problem and field surveys had been carried out on both sides of the international boundary, for the purpose of recommending a general scheme of reclamation that would be advantageous to farming interests in both countries.

In June, 1932, the Madawaska Company, a Maine corporation which operated a large sawmill at Van Buren on the United States side of the St. John River, filed with the Commission an Application for an Order of the Commission designed to protect the Company from injury alleged to have been caused by the operation of the works of the St. John River Power Company at Grand Falls, concerning which a public hearing had not at that date been fixed. A somewhat unusual circumstance in this case was that the Madawaska Company complained of the water in the River being kept too low, whereas the usual objection to the operation of water-power plants was that they had a tendency to keep the levels too high.

The personnel of the Commission which remained unchanged from the preceding year, was as follows: Charles A. Magrath, Chairman; Sir William H. Hearst, K.C.M.G.; George W. Whyte, K.C.; and Secretary, Lawrence J. Burpee.

The International Fisheries Commission. During 1931* new regulations and the proper machinery for the administration of the Halibut Treaty between Canada and the United States were developed, and the investigations were continued. A Conference Board from the halibut fleet was appointed, consisting of three members from Canada and three from the United States. After consultation with this Board, public hearings were held in November and new regulations adopted on Dec. 5, which were approved in January, 1932. They, in brief, divided the halibut banks into areas, specified the poundage to be taken from each area, provided for the collection of proper statistics to enforce such limitations, closed two small spawning grounds, and defined the annual closed season as from Nov. 1 to Jan. 15.

The work at sea of the vessel chartered by the Commission from May to August, 1931, and the completed examination of the numerous net-hauls indicated an almost complete lack of eggs and larvae in the waters off the coasts of British Columbia. It was also shown by extensive drift-bottle experiments that the currents were adverse to any drift of the floating young southward from the Gulf of Alaska, where there were yet considerable numbers

*NOTE.—Pending passage on May 2, 1932, of the United States Enabling Act.

spawned. Finally, these young were found by the Commission to drift inshore and settle in shallow water, those in the open sea vanishing from the net-hauls. These conclusions, when corroborated by work in progress, were expected to make necessary immediate steps to preserve the spawning-schools on the banks off the Canadian coast.

The Commission continued to collect statistics as to the catches, showing the bank of origin of each landing. From these records it was proved that it is possible to rebuild the stock on the banks, the response of this stock to a given reduction in gear having been definitely measured. The Commission was, therefore, seemingly in a position to forecast the results of its regulations and to regulate intelligently the banks where the biological investigations showed that such regulations were necessary. Tagging experiments, determination of growth, races, and other phases necessary as a foundation for regulation, were some of the investigations under way.

The *I'm Alone*, the *Josephine K.* and Other Alleged Smuggling Cases. Nothing very definite was accomplished toward the settlement of the *I'm Alone* case to June 30, 1932. Rt. Hon. Lyman P. Duff, who had been appointed arbitrator for Canada after the death of Eugene Lafleur, K.C., conferred with Hon. Willis van Devanter of the United States Supreme Court on the subject in January, 1932, and decided to ask for expositions by counsel for both Governments on points of law. These were as follows: (1) whether the doctrine of "continuous and hot pursuit" which enabled a Government vessel to chase a smuggler from within the three-mile limit to the high seas, applied; (2) whether the doctrine applied to a pursuit undertaken by one destroyer and finished by another. (The *I'm Alone* was first chased by the *Walcott*); and (3) whether actual sinking of the vessel was justified. The United States Government were concentrating all their efforts in the attempt to prove that the vessel was United States-owned and operated by a group of rum-runners. Two important witnesses were captured early in 1932, Danny Hogan, alleged to be the principal owner of the *I'm Alone*, and his associate, Marvin Clarke. On Apr. 7, in answer to question from the Opposition Leader in the Canadian House of Commons, as to the progress of the case, the Prime Minister stated that, up to that time, there had been no determination of the intricate and delicate legal questions raised, with respect to which reports had to be made to enable further action to be taken. Referring, however, to the Rt. Hon. L. P. Duff's visit to Washington, he added that some progress had been made by reason of the conference that took place in the previous month.

Unlike the *I'm Alone* case, that of the *Josephine K.* was more or less settled by June, 1932. On Aug. 1, 1931, the United States Government replied to the Canadian Government's formal Note of protest, dated Mar. 17, 1931. The reply defended the action taken by Coastguard Cutter 145 in that the vessel was within the twelve-mile limit. After negotiations by the Departments of State, Justice and the Treasury with the Canadian owners, the Liverpool Shipping Company of Liverpool, Nova Scotia, a settlement was made in May by which the latter consented to the forfeiture of the cargo of liquor and the United States agreed to take $500 against $10,000 bonds, under which the vessel was released. The attitude to the settlement of the Canadian Government, which had protested against the shooting of the Captain, William R. Cluett, was not disclosed. (*The Winnipeg Free Press*, May 16, 1932).

Several other cases similar to these two aroused some discussion on both sides during the year. These included: a Note received on July 24, 1931, from the United States Government charging that the Canadian vessel *Cadet* of Weymouth, N.S., had introduced poison gas into its exhaust when pursued by the United States Coastguard Cutter 149 off Nantucket on June 18, 1931; the seizure on Aug. 31, 1931, of the United States-owned seiner *St. Patrick* of Tacoma (by a Canadian fisheries patrol vessel) when fishing in Canadian territorial waters with about 1,600 to 2,000 fish on board; the sinking on Nov.

2, 1931, of the *Sophie E.*, a Canadian vessel, whose Captain claimed she had been deliberately rammed 19 miles off the coast by the United States Coastguard Patrol boat, *Harriet Lane,* the latter affirming that the *Sophie E.*, an alleged rum-runner, was running without lights when accidentally struck by her; and the ramming of another alleged rum-runner, *Mary F. Ruth,* Canadian boat, by three different United States coastguard boats in May, 1932, who, on their side, declared that their action was the result of smoke screens laid down by that boat (*Mary F. Ruth*) and her sister ship, *Ganeff.* Official protest was forwarded on behalf of the damaged boat by a Halifax legal firm.

A report on the United States Treasury Department Appropriation Bill, made public Feb. 24, 1932, stated that the House of Representatives Committee on Appropriations had been informed by Lieutenant-Commander F. J. Gorman, Intelligence Officer, that the flow of liquor to the United States through the line of the coastguard on the Atlantic came from Canada through the base of St. Pierre and Miquelon; that the coastguard was supplied with detailed information as to vessels engaged in smuggling from all bases except St. Pierre; that an increase was noted in the number of rum-smuggling vessels from 163 a year previously to 176 at that date, of which 91, mostly from Nova Scotia and Newfoundland, were engaged in trade on the Atlantic; and that flags flown by smugglers were principally British. It was stated that the legislation passed by Canada had materially reduced smuggling on the Great Lakes. Smuggling was carried on, for the most part, by large, highly-organized international combines. The bases for operators were St. Pierre and Belize, British Honduras. The Intelligence Officer pointed out that liquor coming from Belize was shipped as a perfectly legitimate transaction from Canadian distilleries to Jamaica and thence to Honduras; and that Europe was the chief source of liquor coming from Nassau.

Canada—United States Incidents. Affecting Canada's export trade to the United States during 1931-32, was the United States Federal Revenue Bill, which, becoming law on June 7, 1932, was put into effect on June 21. It provided for the rehabilitation of the country's threatened finances and was directed mainly against articles shipped from foreign countries with depreciated currencies. Its operation seriously affected Canadian exports of lumber, copper and dressed furs; the duty on lumber was increased from one dollar to three dollars per 1,000 ft. b.m. while that imposed on copper was four cents a pound. During 1931 Canada exported lumber to the value of $15,000,000 and $13,000,000 worth of copper to the United States. The changes in duty during the period under review (July 1, 1931 to June 30, 1932), prior to the above-mentioned Bill, as proclaimed by the President, in accordance with Section 336 of the Tariff Act of 1930, consisted of increased rates on three and decreased rates on seven commodities. Those increased concerned such articles as sewed leather, peas, and infants' unembroidered wool outerwear, and decreases: crude feldspar, cylinders, crown and sheet glass, turned leather, peppers, eggplant, infants' unembroidered wool jersey outerwear, alsimin, and ferrosilicon aluminium.

The Jenkins Bill, advocating the reduction of the Canadian Immigration quota by 90 per cent., which had passed the House of Representatives by a large majority on Mar. 2, 1931, but having been too late to reach the Senate, was again brought forward in December, 1931. It failed, however, to arouse enthusiasm in view of the already immense decrease in Canadian immigration. Opinion generally tended to the belief that such a measure would create only hostile feeling between the two countries without accomplishing anything effective. (For Statistics, see Immigration and Statistical Survey Sections).

The "Dominion Memorial," a gift to Canada from Canadians living in New York and which commemorated the sixty years of Confederation, was unveiled on Feb. 6, 1932, in the Hall of Fame in the Parliament Buildings, Ottawa, by the Governor-General, His Excellency the Earl of Bessborough. The proposal to erect the Memorial, a mural in white marble with a group of figures representing Canada's past, present, and future, and executed by R. Tait

Mackenzie, R.C.A., originated with the Canadian Club of New York in 1927 when W. W. Collins was President of the Club. Mr. Collins formally made the presentation at Ottawa; he had been made Chairman of the Committee in charge of the Fund.

Relations With Other Countries

The summary of the official duties during 1931, of the Canadian Legation at Paris headed by Hon. Philippe Roy, Envoy Extraordinary and Minister Plenipotentiary, as given in the Annual Report of the Department of External Affairs, showed evidence of the wide range and diversity of its activities, which included correspondence and reports on the following subjects: French customs classification of Canadian products, private claims against the Government of France, the seizure of ships and their cargoes at St. Pierre and Miquelon, regulations affecting the importation of Canadian wheat into France, double taxation of banks and industrial concerns, the introduction of a system of import quotas and its effects on Canadian exports to France, the allocation of radio lengths on the Continent of Europe, fishing rights and regulations, and the revision and denunciation of the Treaty of Commerce of 1922 (See Section: Industries and Commerce). Considerable discussion was aroused in the Press by certain statements made by Edouard Carteron, Consul-General for France in Canada, scoring the trade policies of the Prime Minister, Rt. Hon. R. B. Bennett. "Canada is committing suicide" Mr. Carteron was alleged to have declared, "Canada needs markets for her wheat, but France can get wheat just as well from Argentina . . . . Canada, owing to the policy of Mr. Bennett, is killing her commerce." He added that no efforts had been made by Canada to renew the Franco-Canadian Trade Treaty. (*The Montreal Daily Star*, June 10, 1932). Mr. Carteron subsequently left for France on an extended leave of absence.

M. Charles Arsène Henry retained the position which he had held since July 1, 1930, of Envoy Extraordinary and Minister Plenipotentiary of France to Canada, and Count Jean de la Grèze, previously "Secretaire du Service du Protocole" in Paris, was appointed Secretary of the French Legation at Ottawa, Dec. 1, 1931, replacing M. Henri Coursier, who had been appointed "Chef des Services Commerciaux de la Résidence Générale de France" in Morocco. Official announcement was made of the purchase of an estate overlooking the Ottawa River by the French Government for the purpose of erecting a legation building.

It was stated by the Department of External Affairs that in spite of concerted efforts of the Minister and Trade Commissioners, the development of Canadian export trade to the Orient had been restricted in 1931 "by the prevailing economic depression, aggravated in the Far East by the low price of silver, catastrophic floods in the Yangtse Valley and unsettled political conditions." Investigations under way or completed, which it was hoped would lead to an extension of markets in the Far East, dealt with the potential market for Canadian wheat, flour, fish, fruit, dairy products and newsprint.

During the year diplomatic correspondence arose between the Government of Canada and Japan and reports were addressed to the Government of Canada on the following matters: the regulations governing, and the returns received from the seal fisheries in which Canada had a monetary interest; the obtaining of licences allowing Canadian physicians to practice in Japan; the application of the system of control of Japanese immigration into Canada; the importation of feed wheat into Japan and the rights of certain classes of Canadians and Japanese to land temporarily in the ports of the other country without being in possession of passport *visas*. Hon. Herbert Marler, Canadian Minister to Japan, on leaving Canada for the Far East in October, 1931, after an extended visit, expressed confidence in Canada's future development of trade with the Orient and spoke of his plans to establish Canadian Government offices in Darein and Tienstein.

The Minister of Japan to Canada, Hon. Iyemasa Tokugawa, included in his official activities attendance and a speech delivered at a luncheon given by the Japan Society of Vancouver, B.C., in July, 1931, at which he emphasized the importance of the part played by that Society in the promotion of mutual understanding between Canada and Japan. Major Tadamichi Kuribayashi, newly-appointed Military Attaché to the Japanese Legation, arrived in Ottawa to take up his duties on Oct. 10, 1931.

On June 14, 1932, it was stated that the Japanese Legation at Ottawa and the Department of Trade and Commerce had been advised of certain tariff changes approved by the Parliament of Japan by which important items of export would be materially effected, namely: wheat, wheat flour, and Douglas fir.

INTERNATIONAL REPRESENTATIVES

(As at June 30, 1932)

UNITED STATES

Envoy Extraordinary and Minister Plenipotentiary to the United States	Hon. W. D. Herridge, K.C., D.S.O., M.C. and Bar, LL.D.
Envoy Extraordinary and Minister Plenipotentiary to Canada	Hon. Hanford MacNider, LL.D.*

FRANCE

Envoy Extraordinary and Minister Plenipotentiary to France	Hon. Philippe Roy
Envoy Extraordinary and Minister Plenipotentiary to Canada	M. Charles Arsène Henry

JAPAN

Envoy Extraordinary and Minister Plenipotentiary to Japan	Hon. Herbert M. Marler
Envoy Extraordinary and Minister Plenipotentiary to Canada	Hon. Iyemasa M. Tokugawa, K.C.V.O.

LEAGUE OF NATIONS

Canadian Advisory Officer	W. A. Riddell, M.A., PH.D.

* NOTE.—Mr. MacNider resigned as Minister to Canada on Sept. I, 1932.

STATISTICAL SURVEY, CANADA, 1931-32

By

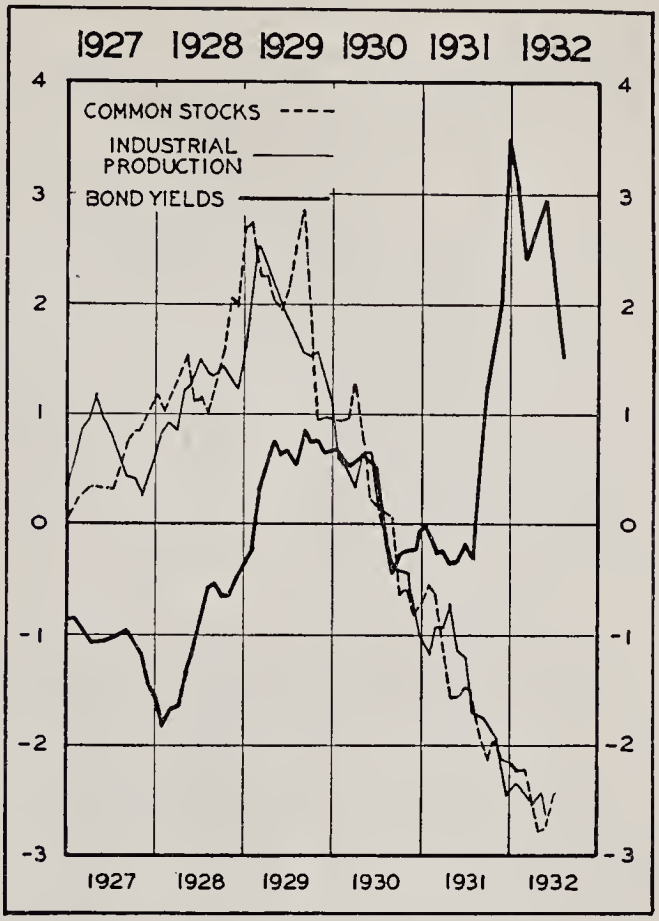
R. H. Coats, F.R.S.C., F.S.S., (Hon.)

With the close of the Summer of 1932, there were evidences that the prolonged and unprecedented depression which had prevailed throughout the world since the close of the year 1929, had passed its lowest point, and that general economic conditions were somewhat on the mend, though still largely susceptible to the solution of certain major international problems. Perhaps the most favourable symptom was the considerable and rapid decline which occurred after June in short-term interest rates in London and New York, and the corresponding rise in high-grade bond prices. Commodity prices likewise reversed their downward tendency, and sharp rises occurred in cotton, sugar, rubber, silk, the non-ferrous metals, and some animal products. It will be noticed also in the diagram on the opposite page that the curve of industrial production turned upward after June, 1932, though continued stagnation in basic areas like steel and construction prevented the movement from taking any pronounced form. The favourable agricultural crop, in contrast with the disastrous decline in yields caused by drought in 1931, provided, in the case of Canada, an improved basis for recovery during the ensuing year.

Throughout 1931 and up to Midsummer 1932, the depression was marked by ever deepening intensity. Commodity and security prices continued to fall in Canada, and were paralleled by declines in industrial production, the volume of trade, railway traffic, and similar indexes. General employment was considerably lower, as may be seen at a glance from the second diagram opposite. On the whole, however, the generalization is possible that few countries withstood the test better than Canada, particularly in the field of finance. The national Budget for 1932-33 aimed to balance expenditures with revenues except for the extraordinary items of unemployment relief and railway deficits, and the credit of the Dominion was continued in relatively high regard; the success of a new Dominion loan flotation was one of the features of 1931. The enlarged gold output, which promised to exceed $60 millions in 1932 as compared with $43 millions as recently as 1930, had a favourable reaction on the machinery of public finance. This and the increasingly favourable trade balance materially helped Canadian exchange abroad, the dollar being quoted in New York at a higher level in September, 1932, than at any time in the preceding twelve months.

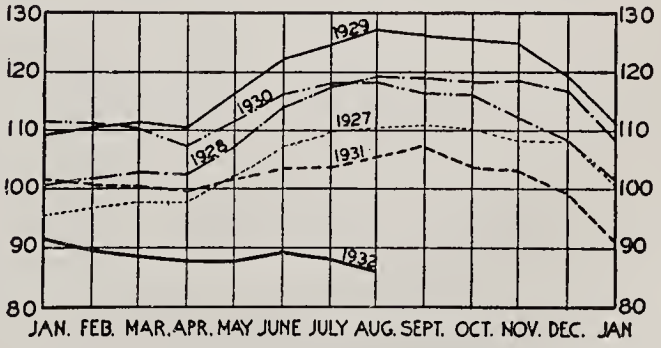
Table I. in the following pages gives a purview of the three-year period in comparative form, whilst the series of monthly records in Table II. analyses the more recent trends briefly summarised above.

Fundamental Economic Conditions in Canada, 1927-1932



NOTE.—The above chart illustrates the trend of (1) speculation (prices of common stocks), (2) industrial production, and (3) the credit situation as reflected in long-term interest rates. The lines are expressed in multiples of a standard deviation from a common average, so that the degree of variation from month to month is strictly comparable.

Employment in Canada, 1927-1932



NOTE.—The curve is based upon the number of employees at work on the first day of the month as indicated by the firms reporting, in comparison with the average employment they afforded during the calendar year 1926 as 100.

TABLE I.

Statistical Summary of Economic and Social Conditions in Canada in 1931, Compared with the Two Preceding Years

ITEMS	1929	1930	1931
I. POPULATION:	(000 omitted)	(000 omitted)	(000 omitted)
Immigration ..... No.	165	105	.....
Emigration to U.S.[1] ..... No.	64	64	28
Births[2] ..... No.	235	243	[3]240
Deaths[2] ..... No.	114	109	[3]104
Total Population—(Estimated) ..... No.	10,016	10,195	[4]10,363
II. PRODUCTION:			
1. AGRICULTURE:			
Wheat ..... Bu.	304,520	420,672	304,144
$	319,715	204,693	117,080
Oats ..... Bu.	282,838	423,148	328,278
$	168,017	102,919	77,970
Barley ..... Bu.	102,313	135,160	67,382
$	60,505	27,254	17,465
Total Field Crops ..... Ac.	61,207	62,215	57,964
$	948,981	662,041	425,065
Live Stock: on Farms ..... $	856,730	687,225	468,300
Marketed ..... $	207,317	166,630	95,747
Butter (creamery) ..... Lb.	170,810	185,751	225,803
$	65,930	56,671	50,169
Cheese (factory) ..... Lb.	118,746	119,105	113,704
$	21,471	18,090	12,797
Total Dairy Production ..... $	291,743	272,458	[3]237,922
Total Agricultural Revenue.... $	1,631,081	1,262,047	880,240
2. FURS ..... $	18,745	12,158	11,681
3. FISHERIES:			
Salmon ..... $	15,009	17,732	7,972
Cod ..... $	5,395	4,289	2,827
Lobster ..... $	5,697	5,215	5,037
Total Fisheries Products ..... $	53,519	47,804	30,683
4. FORESTRY:			
Forestry Operations ..... $	219,570	206,853	
Net Sawmill Products ..... $	63,246	48,186	
Net Pulpmill Products ..... $	54,833	48,105	34,136

[1] Statistics of U.S. Bureau of Immigration for years ended June 30.
[2] Registration area all Canada exclusive of Yukon and N.W. Territories.
[3] Preliminary. [4] Census, June 1, 1931.

STATISTICAL SUMMARY—Continued

Items	1929	1930	1931
II. PRODUCTION—*Continued*	(000 omitted)	(000 omitted)	(000 omitted)
5. Minerals:			
Metals:			
Gold . . . . . Oz.	1,928	2,102	2,695
$	39,862	43,453	55,715
Silver . . . . . Oz.	23,143	26,443	20,558
$	12,264	10,089	6,142
Lead . . . . . Lb.	326,523	332,894	267,339
$	16,544	13,103	7,267
Zinc . . . . . Lb.	197,267	267,644	237,245
$	10,627	9,635	6,059
Nickel . . . . . Lb.	110,276	103,769	65,666
$	27,115	24,455	15,267
Copper . . . . . Lb.	248,121	303,478	292,304
$	43, 415	37,948	24,114
Non-Metals:			
Coal . . . . . Ton	17,497	14,881	12,243
$	63,065	52,850	41,207
Natural Gas...M. cu ft.....	28,378	29,376	25,875
Asbestos . . . . . Ton	306	242	164
$	13,173	8,390	4,813
Structural Materials and Clay Products .....$	58,534	53,727	44,148
Total Mineral Production.....$	310,850	279,874	228,029
6. Manufactures:			
Vegetable Products .....$	771,457	672,024	540,312[1]
Animal Products .....$	477,762	417,541	307,218[1]
Textile Products .....$	426,247	361,815	320,086[1]
Wood and Paper .....$	725,820	636,600	511,667
Iron and Its Products .....$	738,013	569,746	385,189[1]
Non-Ferrous Metals and Products . . . . . $	283,545	250,459	222,558[1]
Non-Metallic Mineral Products . . . . . $	242,023	216,813	181,508[1]
Chemical and Allied Products . . . . . $	138,545	119,970	101,137[1]
Miscellaneous Industries .....$	103,073	57,966	45,000[1]
Total Manufactures .....$	4,063,987	3,428,971	2,736,630[1]
Total Employees Monthly Average .....No.	694	644	.....
Total Salaries and Wages .....$	813,050	736,093	.....
Significant Items:			
Cen. Elec. Stations .....K.W.H.	17,962,515	18,093,802	16,391,510[1]
Pig Iron (production) Long Ton	1,080	747	420

[1] Estimated or subject to revision.

STATISTICAL SUMMARY—Continued

Items	1929	1930	1931
II. PRODUCTION—*Continued*	(000 omitted)	(000 omitted)	(000 omitted)
6. Manufactures—*Cont.*			
Steel Ingots and Castings (production) .....Long Ton	1,380	1,010	673
Flour (production) .....Bbl.	19,756	15,624	[1]15,502
Newsprint (production) ...Ton	2,725	2,498	2,227
Sugar (raw, imports) .....Lb.	8,374	8,127	7,984
Rubber (crude, imports) ....Lb.	79,512	64,492	56,583
Cotton (raw, imports) .....Lb.	136,297	100,314	94,922
Petroleum (crude, imports) .....Gal.	1,060,001	1,012,030	1,017,388
7. Construction:			
Building Permits (61 Cities) . . ..$	234,945	166,379	112,223
Contracts Awarded .....$	576,652	457,000	315,482
III. EXTERNAL TRADE:			
1. Exports:			
Total (domestic and foreign) . . ..$	1,388,896	1,144,938	817,028
(*a*) *Component Material Classification (domestic only)*:			
Vegetable Products .....$	646,514	384,636	292,280
Animal Products .....$	158,757	133,009	83,715
Textiles . . ..$	9,678	9,066	6,504
Wood and Paper .....$	288,622	289,567	230,604
Iron and Its Products .....$	82,257	78,590	38,938
Non-Ferrous Metal Products . . ..$	112,778	154,319	95,652
Non-Metallic Minerals .....$	27,402	28,545	21,108
Chemicals . . ..$	19,438	22,468	12,826
All other .....$	18,264	20,058	18,116
(*b*) *Purpose Classification*:			
Food . . ..$	642,653	388,876	293,812
Clothing . . ..$	10,934	12,741	8,537
Industrial Equipment .....$	3,695	4,487	3,598
(*c*) *Degree of Manufacture*:			
Raw Materials .....$	661,395	429,354	305,181
Partly Manufactured .....$	195,144	213,262	142,453
Fully or Chiefly Manufactured . . ..$	507,171	477,642	352,109
2. Imports:			
Total Merchandise .....$	1,265,679	1,248,274	906,613
(*a*) *Component Material Classification*:			
Vegetable Products .....$	233,130	227,049	177,629
Animal Products .....$	71,662	69,854	45,996
Textiles . . ..$	206,439	185,241	130,717
Wood and Paper .....$	59,215	60,951	46,042
Iron and Its Products .....$	346,616	314,367	193,933

[1] Preliminary.

STATISTICAL SUMMARY—Continued

Items	1929	1930	1931
III. EXTERNAL TRADE—*Cont.*	(000 omitted)	(000 omitted)	(000 omitted)
2. Imports—*Continued*			
Non-Ferrous Metal Products . . ..$	75,438	90,421	60,595
Non-Metallic Minerals .....$	166,964	186,496	153,579
Chemicals . . ..$	37,723	39,908	35,651
All other .....$	68,492	73,987	62,471
(*b*) *Purpose Classification*:			
Food . . ..$	136,620	141,716	107,724
Clothing . . ..$	29,059	29,766	21,902
Industrial Equipment .....$	70,506	81,253	52,115
(*c*) *Degree of Manufacture*:			
Raw Materials .....$	290,484	288,276	216,507
Partly Manufactured .....$	101,228	95,970	68,658
Fully or Chiefly Manufactured . . ..$	873,966	864,027	621,447
IV. INTERNAL TRADE:			
1. Total Wheat Receipts at Fort William & Port Arthur (crop years) .....Bu.	320,456	135,340	185,474
2. Inspected Slaughterings:			
Cattle and Calves .....Head	1,117	978	963
Swine . . ..Head	2,353	1,926	2,243
Sheep . . ..Head	725	745	821
3. Cold Storage Holdings as of Jan. 1st.			
Butter . . ..Lb.	13,786	13,690	22,171
4. Loaded at Stations in Canada:			
Agricultural or Vegetable Products . . ..Ton	17,454	15,875	14,995
Animal Products .....Ton	1,496	1,156	1,102
Mine Products .....Ton	26,413	22,242	16,099
Forest Products .....Ton	13,392	11,148	7,014
Manufactures . . ..Ton	18,374	15,551	12,525
Total . . ..Ton	77,129	65,972	51,735
V. PRICES:			
1. Wholesale Prices Indexes: (1913-100)	Index No. (1913-100)	Index No. (1913-100)	Index No. (1913-100)
(*a*) *Component Material Classification*:			
Vegetable Products	157.7	133.8	98.0
Animal Products	153.8	139.8	104.3
Textiles	156.9	140.5	126.1
Wood and Paper	147.0	138.8	123.8
Iron and Its Products	136.0	132.2	126.8
Non-Ferrous Metal Products ...	100.8	82.0	65.6
Non-Metallic Minerals	163.6	160.8	152.3
Chemicals	150.5	146.4	136.5
General Index	149.3	135.3	112.6
(*b*) *Purpose Classification*:			
Food, Beverages and Tobacco...	161.9	150.7	114.0
Clothing	144.6	131.5	121.5
Producers' Equipment	171.7	168.6	163.4

STATISTICAL SUMMARY—Continued

Items	1929	1930	1931
V. PRICES—*Continued*			
(*c*) *Classified by Degree of Manufacture*:			
Raw Materials	152.8	128.8	97.0
Manufactured Articles	143.5	134.7	115.4
2. Retail Prices and Cost of Living	153.0	152.0	137.0
3. Security Prices:			
Common Stocks, Index Number (General)	284.9	203.5	127.3
4. Freight Rates:			
Railway, per ton mile Cts.	1.093	1.090	1.013
Atlantic Shipping Rates 1893-1913=100	109.1	89.3	90.4
VI. TRANSPORTATION AND COMMUNICATION:	(000 omitted)	(000 omitted)	(000 omitted)
1. Railways:			
Gross Revenues $	534,106	454,232	358,549
Gross Operating Expenses $	433,077	380,723	321,026
Revenue Freight, 1,000,000 Ton Miles	35,026	29,605	25,706
Passengers Carried No.	39,071	34,699	26,551
2. Electric Railways:			
Gross Revenues $	58,269	54,719	49,088
Operating Expenses $	40,085	39,126	35,367
Passengers Carried No.	836,730	792,038	720,468
3. Motor Vehicles:			
Registrations No.	1,196	1,240	1,207
4. Canals:			
Freight Ton	13,699	14,803	16,189
5. Shipping:			
Reg. Net Tonnage Entered	95,498	88,373	92,969
Reg. Net Tonnage Cleared	95,290	88,800	92,618
6. Telegraphs:			
Land Messages sent No.	18,030	15,558	13,211
Revenue $	16,256	14,265	11,657
7. Telephones No.	1,383	1,403	.....
8. Post Office Revenue $	31,171	32,969	30,416
Money Orders Issued $	203,129	197,699	167,750
VII. LABOUR:			
1. Employment Indexes:			
(Average Calendar Year, 1926=100)	Index No.	Index No.	Index No.
General Index	119.0	113.4	102.5
Manufacturing	117.1	109.0	95.3
Logging	125.8	108.0	60.1
Mining	120.1	117.8	107.7
Transportation	109.7	104.6	95.8
Construction and Maintenance	129.7	129.8	131.4
Trade	126.2	127.7	123.6
2. Unemployment in Trade Unions p.c.	5.7	11.1	16.8

STATISTICAL SUMMARY—Continued

Items	1929	1930	1931
VII. LABOUR—*Continued*			
3. Employment Service Statistics:	(000 omitted)	(000 omitted)	(000 omitted)
Applications . . . . . No.	551	613	826
Vacancies . . . . . No.	428	386	486
Placements . . . . . No.	398	369	472
4. Wages Indexes: (1913=100)	Index No.	Index No.	Index No.
General Index	192.7	194.4	191.8
Building Trades	197.5	203.2	195.7
Metal Trades	184.6	186.6	182.9
Printing Trades	202.3	203.3	205.1
Steam Railways	204.3	204.3	199.2
Electric Railways	198.6	199.4	198.6
Coal Mining	168.9	169.4	169.4
Lumbering	185.6	183.9	163.0
5. Strikes and Lockouts:			
Disputes in Existence . . . . . No.	90	67	88
	(000 omitted)	(000 omitted)	(000 omitted)
Employees Affected . . . . . No.	13	14	11
Time lost in Working Days . . No.	152	92	204
VIII. FINANCE:			
1. Dominion:			
Ordinary Revenue . . . . . $	455,464	441,412	349,587
Ordinary Expenditure . . . . . $	350,953	357,780	389,558
Total Disbursements . . . . . $	388,806	398,176	440,009
Gross Debts . . . . . $	2,647,034	2,544,586	2,610,266
Active Assets . . . . . $	421,529	366,822	348,654
Net Debt . . . . . $	2,225,505	2,177,764	2,261,612
2. Provincial:[1]			
Ordinary Revenue . . . . . $	183,598	188,084	179,143[2]
Ordinary Expenditure . . . . . $	177,542	185,108	190,754[2]
3. Currency: (12 month averages)			
Dominion Notes in Circulation . . . . . $	204,381	174,616	153,079
Metallic Reserve . . . . . $	59,345	79,000	74,210
Bank Notes in Circulation . . . . $	178,291	159,341	141,969
4. Chartered Banks:			
Assets . . . . . $	3,528,468	3,237,074	3,066,018
Liabilities (excluding Capital and Reserve) . . . . . $	3,215,503	2,909,530	2,741,554
Demand Deposits . . . . . $	696,387	622,895	578,604
Notice Deposits . . . . . $	1,479,870	1,427,570	1,437,977
Other Current Loans in Canada . . . . . $	1,342,683	1,285,837	1,123,601
5. Fire Insurance:[3]			
Amount at Risk, Dec. 31 . . . . $	10,736,293	10,963,299	10,830,081
Premium Income for Year . . . . $	61,513	58,152	57,465

[1] Alberta statistics are for 15 months ended March 31, 1929, owing to change in fiscal year.

[2] Subject to revision.

[3] The statistics of Dominion Fire Insurance Companies alone for the three years follow:—

		1929	1930	1931
Amount at Risk, Dec. 31	$000	9,431,170	9,672,997	9,549,158
Premium Income for Year	$000	56,112	52,647	50,617

STATISTICAL SUMMARY—Continued

Items	1929	1930	1931
VIII. FINANCE—*Continued*	(000 omitted)	(000 omitted)	(000 omitted)
6. Life Insurance:[1]			
Amount at Risk, Dec. 31 .....$	6,548,252	6,868,307	7,008,117
Premium Income for Year ....$	220,082	229,535	234,375
IX. GENERAL BUSINESS:			
1. Bank Clearings .....$	25,105,178	20,091,874	16,827,603
2. Bank Debits .....$	46,670,482	37,491,302	31,586,468
3. Bankruptcies (Dun) .....No.	2.29	2.71	2.52
Liabilities (Dun) .....$	44,300	56,290	51,914
4. Net Sales of Life Insurance:[2]	978,141	884,754	782,728
5. Stock Exchange Transactions:			
Montreal ..... No. of Shares	23,203	11,067	5,265
Toronto (listed).... No. of Shares	10,796	6,639	2,967

[1] Subject to revision. [2] Dominion Companies only.

TABLE II.

Statistics Illustrating the Social and Economic Trend, Canada, During 1931 and First Months of 1932

1. Population

Month	Immigration	Emigration to United States[1]	Returned Canadians from U.S.A.	Births	Deaths
1931	No.	No.	No.	No.	No.
Jan.....	1,480	867	1,150	19,778	9,339
Feb.....	1,429	678	1,165	18,444	9,365
Mar.....	2,413	606	1,480	21,370	9,947
Apr.....	3,201	615	1,944	20,908	9,206
May.....	3,818	612	2,139	21,485	8,853
June.....	3,169	788	2,154	20,555	7,791
July.....	2,541	887	2,002	21,053	8,087
Aug.....	2,250	1,108	1,770	20,345	8,092
Sept.....	2,355	1,142	1,773	20,108	8,516
Oct.....	2,056	1,030	1,859	19,319	8,541
Nov.....	1,530	631	1,463	18,054	8,198
Dec.....	1,288	498	1,453	18,689	8,514
Total	27,530	9,462	20,352	240,108	104,449
1932					
Jan.....	1,067	453	957	19,146	8,880
Feb.....	1,039	349	862	18,780	8,645
Mar.....	1,438	309	1,035	20,429	10,203
Apr.....	2,059	516	1,538	.....	.....
May.....	2,718	481	2,194	.....	.....
June.....	2,562	523	1,944	.....	.....

[1] U.S.A. immigration figures.

2. Productive Activity

Month	Production of Pig Iron	Production of Steel Ingots and Castings	Production of Coal	Contracts Awarded	Building Permits
1931	Long Tons	Long Tons	000 Short Tons	$000	$000
Jan.....	35,592	57,598	1,178	20,299	8,401
Feb.....	46,393	82,637	963	25,930	6,396
Mar.....	57,110	99,341	1,028	27,312	9,949
Apr.....	53,792	91,461	888	22,708	13,495
May.....	50,511	75,200	902	36,896	12,115
June.....	55,822	55,605	888	29,793	8,594
July.....	40,303	45,097	826	28,055	11,043
Aug.....	23,212	52,491	760	26,143	8,202
Sept.....	17,585	33,390	1,005	33,658	10,408
Oct.....	11,562	30,926	1,204	28,789	8,443
Nov.....	14,292	28,337	1,263	24,642	7,282
Dec.....	13,862	20,969	1,194	11,257	7,895
Total	420,036	673,052	12,099	315,482	112,223
Jan., 1932.	10,305	25,060	1,153	12,738	2,762
Feb.....	10,507	28,422	1,188	14,803	2,579
Mar.....	17,989	43,572	1,024	10,767	3,324
Apr.....	16,898	36,030	735	10,113	4,236
May.....	13,339	29,239	672	14,186	5,290
June.....	8,163	18,118	749	12,155	4,386

3. Salient Statistics of Six Important Industries

Month	Flour Production	Sugar Manufactured[1]	Raw Rubber Imports	Raw Cotton Imports	Newsprint Production	Crude Petroleum Imports
1931	000 Bbl.	000,000 Lb.	000 Lb.	000 Lb.	Short Tons	000 Gal.
Jan.....	1,086	27	3,829	10,152	184,339	58,975
Feb.....	1,035	40	4,316	5,389	164,552	61,696
Mar.....	1,168	56	6,748	10,837	187,005	71,297
Apr.....	1,058	42	4,638	6,155	205,838	47,803
May.....	1,183	77	6,155	8,405	202,607	107,209
June.....	1,121	69	4,731	5,269	193,971	117,341
July.....	1,319	85	5,806	4,374	182,731	98,145
Aug.....	1,333	92	5,160	4,754	165,124	106,065
Sept.....	1,516	89	3,438	4,999	178,412	96,535
Oct.....	1,694	96	3,509	7,589	184,252	97,341
Nov.....	1,812	122	2,761	15,451	175,643	93,142
Dec.....	1,175	124	5,493	12,224	165,173	61,840
Total	15,497	919	56,583	95,599	2,189,647	1,017,388
Jan., 1932	851	28	3,911	6,528	171,321	72,729
Feb.....	842	26	3,859	7,074	158,543	48,583
Mar.....	1,054	52	5,797	10,212	166,758	67,635
Apr.....	993	36	3,585	6,230	176,660	38,565
May.....	1,041	59	3,171	12,463	175,887	109,518
June.....	1,151	74	6,349	4,487	161,368	113,948

[1] Sugar statistics are given in thirteen periods of four weeks each, the quantity manufactured during the period ended December, 1931, being 61,613,000 pounds.

4. Trade Statistics

Month	Imports	Exports (Domestic)	Cold Storage Stocks		Wheat Receipts Ft. William & Pt. Arthur
			Eggs[1]	Butter	
1931	$000	$000	000 Doz.	000 Lb.	000 Bu.
Jan.	50,368	44,618	4,660	22,171	4,862
Feb.	50,994	43,873	3,157	17,338	4,525
Mar.	75,381	55,048	1,200	11,589	5,092
Apr.	51,189	33,935	1,879	6,786	7,630
May	73,457	59,833	5,656	5,264	12,634
June	52,509	54,348	12,081	8,702	22,093
July	48,379	49,645	13,877	20,934	11,702
Aug.	47,308	48,764	14,355	33,215	4,143
Sept.	45,379	48,991	14,379	40,401	18,710
Oct.	45,933	55,538	13,647	41,079	27,090
Nov.	46,911	57,487	9,554	37,691	30,075
Dec.	40,290	53,256	5,658	31,673	9,482
Total	628,098	605,336	8,342[2]	23,070[2]	158,038
Jan., 1932.	34,115	38,367	2,862	24,385	1,999
Feb.	35,586	36,431	1,536	18,905	1,922
Mar.	57,448	39,749	282	10,377	3,715
Apr.	29,794	26,960	246	4,540	5,925
May	44,361	40,524	3,416	2,848	6,530
June	40,743	40,876	8,870	4,384	24,297

[1] Exclusive of fresh eggs in storage and frozen eggs. [2] Average.

5. Transportation

Month	Railways				Canal Traffic[2]
	Gross Operating Revenues[1]	Net Operating Revenues[1]	Car Loadings	Freight Carried One Mile (Rev. Freight)	
1931	$000	$000	000 Cars	000,000	000 Tons
Jan.	28,141	424	204.0	2,016	.....
Feb.	26,788	121	190.2	1,951	.....
Mar.	30,613	3,112	210.5	2,104	.....
Apr.	30,912	3,640	214.4	2,136	859
May	30,934	2,166	215.9	2,178	2,677
June	30,480	1,898	221.9	2,207	2,243
July	29,352	2,049	207.0	1,770	1,988
Aug.	28,265	1,871	205.5	1,636	2,081
Sept.	30,158	5,036	226.5	2,057	2,067
Oct.	32,611	7,363	265.0	2,927	2,035
Nov.	31,688	7,676	230.9	2,805	2,013
Dec.	27,732	3,962	185.0	1,878	205
Total	357,674	39,317	2,574.8	25,665	16,189
Jan., 1932.	22,120	340	165.8	1,605	.....
Feb.	22,294	98	174.2	1,659	.....
Mar.	25,027	2,476	186.0	1,814	.....
Apr.	25,851	2,798	180.2	1,653	913
May	23,400	2,155	182.7	1,632	2,242

[1] Of Railways with annual revenues of $500,000 or over. [2] Through Canadian locks only.

6. Prices

Month	General Wholesale Prices	Producers' Goods	Consumers' Goods	Materials Raw	Manufactured Goods	Family Budget (weekly)[1]
1931	1913=100	1913=100	1913=100	1913=100	1913=100	$
Jan.....	118.6	103.4	131.6	104.0	121.9	20.21
Feb.....	117.9	102.9	130.2	103.1	121.3	19.78
Mar.....	116.4	102.3	127.9	100.9	120.4	19.47
Apr.....	115.4	102.6	125.5	100.4	118.0	19.18
May.....	113.2	101.6	122.4	98.3	115.0	18.82
June.....	112.2	100.8	121.8	96.1	114.2	18.36
July.....	111.4	99.8	121.6	94.6	114.3	18.28
Aug.....	110.1	97.7	121.1	93.2	112.9	18.30
Sept.....	108.9	96.5	120.2	91.7	111.7	18.06
Oct.....	109.2	98.3	119.2	93.5	111.3	17.86
Nov.....	110.4	101.0	119.3	96.2	112.2	17.81
Dec.....	110.0	99.8	118.9	94.3	112.0	17.76
Average.	112.6	100.5	123.1	97.0	115.4	18.66
Jan.1932*	108.4	98.6	118.4	91.8	110.8	17.59
Feb.....	108.1	98.5	118.1	91.7	109.9	17.25
Mar.....	107.9	97.7	117.7	90.1	110.9	17.16
Apr.....	106.8	97.3	116.0	88.5	110.5	17.09
May.....	105.7	96.0	115.5	86.8	109.2	16.45
June.....	104.0	93.7	114.7	84.5	107.9	16.20

[1] Average cost of a family budget of foods, fuel, lighting, and rent for sixty cities.
* Subject to revision.

7. Labour

Month	Index of Employment	Unemployment in Trade Unions	Employment Office Statistics		Strikes and Lockouts	
			Vacancies	Regular Placements	Disputes in Existence	Time Loss in Working Days
1931	(1926=100)	%				
Jan.....	101.7	16.0	55,185	13,932	9	7,558
Feb.....	100.7	15.6	51,809	11,188	9	10,431
Mar.....	100.2	15.5	46,295	10,943	6	25,026
Apr.....	99.7	14.9	39,194	13,123	12	19,314
May.....	102.2	16.2	32,280	11,071	14	14,045
June.....	103.6	16.3	27,183	11,091	14	17,724
July.....	103.8	16.2	28,025	11,744	9	5,627
Aug.....	105.2	15.8	26,809	12,434	11	9,192
Sept.....	107.1	18.1	41,723	19,924	17	22,907
Oct.....	103.9	18.3	56,901	28,374	17	35,450
Nov.....	103.0	18.6	44,113	17,465	12	21,315
Dec.....	99.1	21.1	36,867	14,343	14	15,649
Jan. 1932[1]	91.6	22.0	31,538	12,072	11	10,729
Feb.....	89.7	20.6	33,426	9,849	17	14,679
Mar.....	88.7	20.4	35,275	10,719	11	26,410
Apr.....	87.5	23.0	34,961	12,066	11	34,556
May.....	87.5	22.1	32,209	12,510	13	31,905
June.....	89.1	21.9	29,404	12,777	17	38,147

[1] Preliminary.

8. General Business

Month	Bank-ruptcies	Defaulted Liabilities	Sales of Life Insurance	Bank Clearings	Bank Debits
1931	No.	$000	$000	$000,000	$000,000
Jan.....	240	3,971	40,816	1,459	2,668
Feb.....	188	4,790	39,925	1,323	2,535
Mar.....	178	3,184	46,694	1,366	2,570
Apr.....	175	3,081	45,345	1,519	2,786
May.....	163	2,970	40,983	1,696	3,172
June.....	165	4,613	45,830	1,420	2,694
July.....	152	2,511	39,603	1,325	2,400
Aug.....	155	2,351	35,438	1,227	2,243
Sept.....	165	5,167	29,833	1,255	2,451
Oct.....	226	12,378	35,722	1,369	2,587
Nov.....	213	4,336	38,615	1,516	2,842
Dec.....	196	2,957	46,951	1,350	2,638
Total	2,216	52,309	485,755	16,828	31,586
Jan., 1932..	238	4,061	37,082	1,056	2,071
Feb.....	221	3,651	37,857	1,015	1,990
Mar.....	208	3,399	37,206	1,036	2,024
Apr.....	190	3,171	33,425	1,073	2,074
May.....	204	3,148	30,779	1,037	2,175
June.....	176	3,794	40,744	1,081	2,203

9. Currency and Banking

Month	Notes in Hands of Public[1]	Gold held by Finance Dept. ag'nst Notes in circulat'n	Demand Deposits	Notice Deposits	Current Loans	N.Y. Funds in Montreal
1931	$000,000	$000,000	$000,000	$000,000	$000,000	$
Jan.....	156.6	75.5	556.7	1,428.7	1,141.1	1.0020
Feb.....	158.8	77.7	542.5	1,435.5	1,115.8	1.0002
Mar.....	143.9	80.3	579.3	1,445.3	1,115.0	1.0002
Apr.....	150.8	83.2	595.7	1,453.3	1,113.0	1.0004
May....	157.4	78.3	580.0	1,456.4	1,139.0	1.0005
June....	156.3	70.5	600.8	1,450.4	1,127.0	1.0026
July.....	154.6	70.9	561.3	1,451.3	1,125.7	1.0032
Aug.....	154.9	72.6	568.5	1,461.1	1,127.3	1.0030
Sept.....	156.1	68.0	594.3	1,455.5	1,136.5	1.0429
Oct.....	170.1	72.9	580.6	1,462.3	1,140.7	1.1237
Nov.....	160.5	68.6	617.0	1,395.8	1,102.5	1.1234
Dec.....	160.6	64.6	566.6	1,360.0	1,082.1	1.2105
Average	156.7	74.2	578.6	1,438.0	1,123.6	1.0427
Jan., 1932	151.0	66.8	506.9	1,368.3	1,070.7	1.1730
Feb.....	150.3	64.6	496.5	1,390.1	1,063.4	1.1450
Mar.....	149.0	63.8	500.5	1,388.5	1,070.5	1.1180
Apr.....	154.1	63.9	494.6	1,392.9	1,069.6	1.1120
May....	147.2	64.3	498.0	1,387.0	1,057.2	1.1310
June....	154.9	64.8	488.9	1,373.3	1,037.3	1.1530

[1] Dominion and Bank notes.

10. Investment and Speculation

Month	Index of Industrial Stocks	Index of Bond Prices	Shares Sold on Montreal Exchange	Call Loans in Canada	Bank Holdings of Bonds and Stocks	Interest Rates N.Y. Call Loans	Interest Rates N.Y. Prime Com. Paper, 4-6 m'ths
1931	(1926 = 100)	(1926 = 100)	No.	$000,000	$000,000	P. C.	P. C.
Jan....	124.7	95.0	377,241	192.0	593.0	1.57	2.88
Feb....	129.3	95.0	706,607	186.4	654.0	1.50	2.63
Mar....	127.8	92.9	605,696	175.4	648.7	1.55	2.50
Apr....	106.8	92.9	477,053	180.5	651.3	1.52	2.38
May...	89.0	91.9	851,426	187.4	668.9	1.45	2.13
June...	91.1	91.9	528,093	181.6	695.0	1.50	2.00
July....	94.6	92.9	245,845	163.4	693.8	1.50	2.00
Aug....	94.4	91.9	169,400	158.6	701.0	1.50	2.00
Sept....	79.3	97.1	437,503	166.6	677.6	1.50	2.00
Oct.....	74.3	103.3	308,888	158.6	695.5	2.10	3.13
Nov....	86.6	105.4	431,758	156.9	719.5	2.50	4.00
Dec....	74.3	108.6	135,308	134.7	694.0	2.70	3.50
Total or Average	97.7	96.6	5,274,818	170.1	674.4	1.74	2.60
Jan. 1932	73.7	119.8	125,989	131.2	673.7	2.65	3.88
Feb....	71.1	115.9	136,387	129.8	663.8	2.50	3.88
Mar....	71.5	110.6	180,070	130.7	671.6	2.50	3.63
Apr....	58.2	111.3	187,313	122.4	666.2	2.50	3.50
May...	51.4	113.2	204,522	113.8	663.4	2.50	3.13
June...	48.8	114.4	176,041	109.9	669.3	2.50	2.75
July....	56.6	110.6	283,953	111.9	674.1	2.08	2.50
Aug....	69.9	103.3	544,528	.....	.....	2.08	2.63

LABOUR CONDITIONS

The Department of Labour; Unemployment and Relief Measures in 1931-32

While industrial and economic activity throughout Canada during the fiscal year ended Mar. 31, 1932, was generally more curtailed than in any year since 1926, it was less so than that of practically any other country, owing to the adoption of official relief measures, which mitigated the more severe aspects of prevailing unemployment and distress. Assistance rendered by the Dominion Government to the large sections of the Prairie Provinces where acute need prevailed—a result of the third consecutive crop failure from continuous drought—was particularly effective.

The Minister of Labour, Hon. G. D. Robertson, accompanied by members of the staff of the Department, visited the four Western Provinces in June, 1931, for the purpose of ascertaining the facts of prevailing unemployment and of investigating the serious condition reported as existing in the agricultural sections of the country. The report of Senator Robertson's careful study, following consultation with representatives of the various Provincial Governments and municipalities, formed the basis of proposals which were subsequently presented to Parliament by the Bennett Government for continuance of relief measures during the ensuing months.

General regulations governing the unemployment relief measures to be undertaken by the Government during 1931-32 were issued on Aug. 18, 1931, in the form of an Order-in-Council, setting forth the specific powers vested in the Minister of Labour, together with a statement by the Minister (Hon. Gideon Robertson). Senator Robertson explained that all Members of the House of Commons had been invited to furnish the Government with suggestions regarding Federal undertakings that might usefully be carried out in their constituencies under the direction of the Dominion Department of Public Works, such operations to involve the construction of public buildings and wharves, repairs to both, and generally needed public works of all descriptions. He stated that such undertakings also embraced works which might be conducted co-operatively by the Dominion and Provincial Governments under the direction of the Provincial authorities with proper Federal supervision in order to protect the interests of the latter; that the Dominion Government proposed and offered to share in the cost of the construction of the Trans-Canada highway on a basis of bearing 50 per cent. of the cost thereof; that each Provincial Government would be required to define by Order-in-Council the route and the point of contact with the adjoining Provinces and that the Dominion Government proposed to participate substantially in the cost of maintenance of the great

highway; that other highways wholly within the individual Provinces might also be assisted as to construction costs on the basis agreed upon with the Provincial authority and as needs and circumstances justified; that Municipalities, desiring to carry on local improvement works of any sort with Dominion and Provincial aid, should submit such proposals to their Provincial Government, both agreeing what proportion of the expense entailed thereby should be borne respectively by the Municipal and Provincial authorities. All the Provinces had been asked to supply as promptly as possible a statement showing registrations and approximately accurate estimates of the number of unemployed in each Province. The Minister of Labour further stated that the Dominion Government suggested that the well-recognized standard of an 8-hour day should be respected by all parties and that Provincial and Municipal authorities should fix the rates of compensation to be paid on works initiated by them, the Dominion Government to fix the wage rates only on purely Federal undertakings; that all contracts were to provide that materials used should be the product of Canadian mills, factories and labour wherever available; that the Government desired that hand labour should be used to the maximum possible extent; that all workmen employed on relief undertakings should be residents of Canada and from the locality nearest where the work was being performed. Emphasis was laid by Senator Robertson on the necessity of individual communications being submitted to and through the Municipal and Provincial authorities, the Province to have access in appeal to the Dominion. With regard to Western Canada, he pointed out that on account of the crop failures and drought it might be impossible to supply employment sufficient to meet all needs, therefore, direct relief would, in most instances, doubtless have to be given. As a substantial measure of unemployment relief it was declared that the Board of Railway Commissioners would make provision for the further elimination of grade crossings thus further creating employment to be under the direction of the Minister of Railways.

During the following weeks Conferences were held in Ottawa and other centres between Members of the Dominion and Provincial Cabinets, the Dominion Prime Minister (Mr. Bennett) and the Minister of Labour being untiring in their efforts to expedite all measures of relief throughout the country, particularly in the Western drought-stricken areas, and with this end in view the several Dominion-Provincial agreements were signed with all possible dispatch.

On Sept. 4, the Minister of Labour issued figures compiled by Provincial Governments showing that Canada's unemployed exceeded 530,000. In the majority of Provinces the totals were based upon registrations and in others careful estimates had been made. It was expected that the Winter months would swell these figures when seasonable unemployment would become an increasing factor in the situation. By Provinces, figures of unemployment were given as follows: British Columbia, 38,880; Alberta, 15,450; Saskatchewan

(cities and towns), 26,904, (drought areas) 150,000; Manitoba, 41,489; Ontario, 130,000; Prince Edward Island, 1,500; Quebec, 100,000; Nova Scotia, 18,000; New Brunswick, 8,000.

Early in December a Nation-wide appeal was made for an emergency fund for the relief of suffering and distress in Canada during the Winter months, the collection and distribution of the moneys to be under the control of the Red Cross Society in co-operation with other organizations. The Dominion Prime Minister (Mr. Bennett) made a personal appeal to the people of Canada on behalf of the fund in a wireless statement from aboard the S.S. *Duchess of Richmond,* on his way from England.

Meantime, during the Winter of 1931-32, Senator Robertson, having suffered a break-down due to over-work, tendered his resignation as Minister of Labour and was succeeded on Feb. 3, 1932, by Hon. Wesley Ashton Gordon who continued to discharge also the duties of Minister of Immigration and Colonization and of Minister of Mines.

In April, following a Dominion-Provincial Conference on unemployment relief plans for 1932-33, it was announced by both Dominion and Provincial authorities that there would be a change in Government relief policy. Generally a system of direct relief, after the expiration of the existing Dominion-Provincial-Municipal agreements, would be inaugurated except in special instances, such decision having been reached owing to the continued financial stringency and the growing numbers of unemployed. In the case of a Province being unable to pay its share of such contribution the Dominion Government would lend the required amounts. About this date also plans were made public of a Dominion-Provincial-Municipal land settlement scheme as a further measure of unemployment relief. (See Section: "Immigration and Colonization").

Statistics covering the work of the 71 employment offices operated by the Employment Service of Canada during the fiscal year ended Mar. 31, 1932, showed 767,419 applications for employment, 433,334 vacancies and 419,407 placements recorded, as compared with 721,609 applications, 464,136 vacancies and 447,239 placements in 1930-31. Over 58 per cent. of the placements were for periods not exceeding seven days, this high proportion being largely due to the brief terms of employment afforded persons on the various Government relief schemes. The ratio of vacancies to applications was lower than in the preceding year, as was also the ratio of placements to applications. For each 100 applicants registered during 1931-32 there were 56.5 vacancies and 54.7 placements, compared with 64.3 vacancies and 62 placements in 1930-31.

The following tables of employment figures were taken from the *Labour Gazette,* published by the Department of Labour, and are based on reports from four sources: (1) figures received each month by the Dominion Bureau of Statistics from the larger employers of labour throughout Canada in all industries except agriculture, fish-

ing, hunting and highly-specialized business, the returns being from workers employing 15 workers or more; and detailed statistics from 61 cities in Canada, showing the value of permits granted during the period for various classes of building construction; (2) figures received by the Department of Labour from local trade unions throughout Canada and from 71 offices of the Employment Service of Canada:

Unemployment in Trade Unions

(Percentage)

Month	N.S. and P.E.I.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Can.
Average 1919 ...	3.1	2.0	3.4	2.7	2.1	3.2	2.0	7.9	3.4
Average 1920 ...	1.8	2.0	7.2	3.4	3.1	3.2	2.8	11.2	4.9
Average 1921 ...	11.3	8.5	16.6	9.7	8.5	7.8	7.8	23.5	12.7
Average 1922 ...	7.1	4.3	8.6	5.0	8.9	5.4	6.1	12.4	7.1
Average 1923 ...	3.0	2.0	6.7	3.7	5.8	3.0	6.0	5.8	4.9
Average 1924 ...	5.1	4.0	10.9	6.1	6.5	4.3	5.4	5.8	7.2
Average 1925 ...	5.0	3.6	10.9	5.5	5.1	3.3	8.4	5.7	7.0
Average 1926 ...	7.8	2.1	6.8	4.2	3.6	3.0	4.9	5.5	5.1
Average 1927 ...	3.7	1.9	6.8	4.1	4.4	3.2	4.1	5.5	4.9
Average 1928 ...	4.0	1.2	6.1	3.5	4.2	3.0	4.2	5.1	4.5
Average 1929 ...	4.0	1.6	7.7	4.2	7.1	5.3	6.4	5.9	5.7
Average 1930 ...	5.4	3.7	14.0	10.4	9.6	10.6	13.3	11.6	11.1
Average 1931 ...	8.5	9.2	19.3	17.2	15.7	15.6	19.4	17.6	16.8
Jan., 1931.....	7.4	10.5	16.1	18.4	15.1	18.3	15.7	16.9	16.0
Feb.	6.7	8.5	15.7	17.1	15.6	19.0	18.2	16.3	15.6
Mar.	6.5	10.9	14.0	16.0	14.7	19.5	21.8	18.8	15.5
April	7.2	9.8	14.9	15.2	14.4	14.6	20.3	17.8	14.9
May	6.4	10.3	20.5	15.6	13.0	12.8	22.0	14.2	16.2
June	7.2	6.5	20.0	16.2	14.1	13.5	21.7	15.6	16.3
July	7.2	7.0	17.0	16.6	14.7	14.5	25.3	16.3	16.2
Aug.	9.3	7.7	16.9	15.2	15.7	11.8	24.4	16.4	15.8
Sept.	8.2	10.4	22.7	18.7	19.0	12.3	16.0	17.9	18.1
Oct.	8.6	9.2	23.6	18.3	17.7	12.7	16.4	19.7	18.3
Nov.	12.8	10.0	22.1	18.8	18.3	17.0	14.7	20.6	18.6
Dec.	13.8	9.6	29.0	20.3	16.5	19.5	16.9	21.2	21.1
Jan., 1932.....	15.1	15.9	28.4	21.5	19.0	18.0	19.3	21.8	22.0
Feb.	8.3	14.9	23.1	23.0	19.6	19.5	20.2	21.1	20.6
Mar.	8.0	13.3	23.5	21.6	20.7	17.6	23.2	20.5	20.4
April	8.9	16.0	28.1	24.0	21.9	16.9	26.1	21.5	23.0
May	8.5	14.2	26.3	23.6	21.0	14.0	26.5	20.4	22.1
June	9.6	12.0	27.1	23.4	18.1	14.4	23.4	22.3	21.9
July	8.0	13.2	26.2	24.4	19.7	13.7	25.5	20.5	21.8

Index Numbers of Employment by Economic Areas

(Average Calendar Year 1926=100)

	Canada	Maritime Provinces	Quebec	Ontario	Prairie Provinces	British Columbia
Jan. 1, 1931.....	101.7	119.3	99.3	100.1	106.4	94.1
Feb. 1	100.7	110.6	98.8	101.7	101.0	93.8
Mar. 1	100.2	104.5	99.7	101.6	98.6	93.8
Apr. 1	99.7	102.3	98.5	102.4	97.7	92.4
May 1	102.2	104.0	102.3	103.8	100.0	96.1
June 1	103.6	105.2	104.3	104.2	103.3	97.9
July 1	103.8	109.4	103.2	102.7	108.9	97.9
Aug. 1	105.2	106.8	102.4	100.7	129.1	98.0
Sept. 1	107.1	102.7	109.8	100.7	130.0	96.6
Oct. 1	103.9	102.6	101.6	99.3	129.1	95.9
Nov. 1	103.0	116.6	96.2	98.1	128.2	98.9
Dec. 1	99.1	112.7	94.7	99.3	106.0	90.5
Jan. 1, 1932.....	91.6	111.1	86.3	93.8	92.8	80.6
Feb. 1	89.7	99.9	85.9	92.7	91.3	77.5
Mar. 1	88.7	93.1	86.5	91.8	88.2	78.7
Apr. 1	87.5	88.3	85.0	91.1	86.1	80.9
May 1	87.5	87.8	86.0	89.5	87.6	82.7
June 1	89.1	96.4	87.8	89.9	89.3	83.7
July 1	88.7	96.4	86.6	89.2	90.5	83.7
Aug. 1	86.3	90.1	84.4	86.9	90.1	81.4
Relative Weight of Employment by Districts as at Aug. 1, 1932.	100.0	7.9	28.7	41.1	13.9	8.4

Index Numbers of Employment by Cities

(Average Calendar Year 1926=100)

	Montreal	Quebec	Toronto	Ottawa	Hamilton	Windsor	Winnipeg	Vancouver
Jan. 1, 1931...	102.4	127.0	107.5	112.6	103.5	89.4	98.2	107.0
Feb. 1 ...	102.8	120.7	107.1	113.4	106.1	96.9	96.8	108.4
Mar. 1 ...	105.1	123.3	107.5	117.5	105.6	95.5	98.0	108.2
Apr. 1 ...	106.2	122.2	109.5	121.8	109.8	104.2	97.3	101.9
May 1 ...	107.0	125.7	111.4	123.4	108.0	105.5	97.1	104.6
June 1 ...	107.1	126.7	110.3	123.4	103.9	99.5	98.8	106.9
July 1 ...	105.1	122.2	109.0	121.0	98.4	94.2	99.9	106.0
Aug. 1 ...	102.5	122.0	106.3	122.8	97.6	75.1	98.1	106.0
Sept. 1 ...	102.3	123.2	106.6	121.7	95.8	77.8	98.2	104.5
Oct. 1 ...	97.3	124.2	107.3	124.5	96.1	80.9	96.4	99.7
Nov. 1 ...	95.4	120.0	105.6	118.6	96.3	67.7	93.5	101.9
Dec. 1 ...	96.7	108.7	104.8	112.7	94.0	72.3	93.2	98.3
Jan. 1, 1932...	88.0	100.8	99.6	108.9	91.3	83.5	92.5	91.1
Feb. 1 ...	87.4	100.9	97.8	104.5	90.2	81.4	89.6	90.1
Mar. 1 ...	89.8	101.9	97.8	96.6	90.4	80.4	88.5	87.8
Apr. 1 ...	91.2	102.0	97.8	101.7	87.4	89.8	86.8	87.8
May 1 ...	91.1	104.0	97.5	102.5	86.9	88.3	86.1	87.6
June 1 ...	91.7	105.6	96.8	100.9	84.9	91.0	85.2	89.4
July 1 ...	88.6	104.5	94.6	99.3	84.4	89.6	87.0	88.7
Aug. 1 ...	85.5	101.0	92.3	97.6	80.6	80.0	86.0	87.9
Relative Weight of Employment by Cities as at July 1, 1932.								
	16.1	1.6	13.9	1.6	3.2	1.4	4.4	3.4

Index Numbers of Employment by Industries

(Average Calendar Year 1926=100)

	All Industries	Man.	Log.	Min.	Comm.	Trans.	Constr.	Serv.	Trade
Jan. 1, 1931...	101.7	93.7	107.6	114.4	110.6	95.9	110.7	123.2	132.9
Feb. 1 ...	100.7	96.1	102.2	111.6	106.6	94.0	104.5	122.2	123.1
Mar. 1 ...	100.2	97.6	82.7	109.5	103.9	93.2	101.1	121.8	122.0
Apr. 1 ...	99.7	99.7	42.9	108.1	103.3	94.3	96.8	122.0	123.1
May 1 ...	102.2	100.7	55.9	106.0	104.0	96.6	106.6	123.1	123.3
June 1 ...	103.6	99.4	53.3	105.3	104.7	98.6	121.8	125.9	124.0
July 1 ...	103.8	97.2	38.5	104.1	104.8	97.7	137.1	130.8	124.0
Aug. 1 ...	105.2	94.7	28.8	104.5	105.9	97.8	162.8	133.0	120.9
Sept. 1 ...	107.1	94.7	30.5	105.6	105.8	97.8	176.8	134.8	120.5
Oct. 1 ...	103.9	91.8	42.2	108.2	104.2	95.2	164.5	125.5	120 8
Nov. 1 ...	103.0	88.8	63.7	107.9	102.4	95.4	165.4	117.5	122.8
Dec. 1 ...	99.1	89.6	73.1	107.5	100.5	93.5	128.8	116.1	125.6
Jan. 1, 1932...	91.6	83.9	68.7	105.1	98.1	85.6	104.8	114.4	125.7
Feb. 1 ...	89.7	85.9	68.5	102.4	97.3	83.4	90.4	112.1	117.2
Mar. 1 ...	88.7	87.0	60.6	101.1	95.2	81.9	83.3	114.7	113.6
Apr. 1 ...	87.5	87.3	31.1	101.0	93.9	81.9	79.9	113.9	114.3
May 1 ...	87.5	85.8	32.5	97.9	94.1	84.3	83.2	114.7	116.2
June 1 ...	89.1	86.0	37.9	96.8	94.1	85.5	92.9	116.8	116.1
July 1 ...	88.7	85.4	34.2	95.0	93.1	85.9	93.3	119.9	115.4
Aug. 1 ...	86.3	82.6	29.1	94.8	93.5	85.3	90.0	117.0	113.8
Relative Weight of Employment by Industries as at Aug. 1, 1932.									
	100.0	51.7	1.0	5.4	3.1	12.6	13.0	2.8	10.4

The Report of the Deputy Minister of Labour (H. H. Ward) for the year ended Mar. 31, 1932, also covered the following: appropriations granted under The Unemployment Relief Act, 1930, and The Unemployment and Farm Relief Act, 1931; Wages, and Prices and Cost of Living; investigations under the Combines Investigation Act; the situation with regard to Industrial Disputes; Old Age Pensions; Workmen's Compensation; and other statutes and ordinances administered under the authority of the Minister of Labour during the year. Summaries of the principal items will be found in the following chapters. The total sums of money paid to the Provinces by the Department for Provincial disbursements during the fiscal year ended Mar. 31, 1932, under the Statutes: Employment Offices Co-ordination Act, Technical Education Act and Old Age Pensions Act are shown in the table following:

	Employment Offices Co-ordination Act	Technical Education Act	Old Age Pensions Act
Alberta	$ 11,462.33	.....	$552,554.38
British Columbia	17,372.91	.....	870,444.40
Manitoba	11,099.92	$ 27,488.24	955,549.92
New Brunswick	3,546.62	4,791.68	.....
Nova Scotia	3,552.80	48,699.87	.....
Ontario	67,217.22	.....	5,250,551.47
Prince Edward Island	.....	31,898.89	.....
Quebec	21,224.08	.....	.....
Saskatchewan	14,524.12	170,094.89	1,008,744.05
Payment of Pensions in N.W.T. (Paid by Federal Government)	.....	.....	1,543.07
	$150,000.00	$282,973.57	$8,639,387.29

The falling off in normal construction operations is illustrated by the following figures of building permits issued in some sixty-one cities:

Year	Value of Permits Issued in June	Value of Permits Issued in First Six Months	Indexes of Value of Permits Issued in First Six Months (1926=100)	Average Indexes of Wholesale Prices of Building Materials in First Six Months (1926 average=100)
1930	$18,621.487	$85,413,985	108.4	98.6
1931	8,593.958	58,950,508	74.8	83.6
1932	4,386,349	22,577,143	28.7	78.6

Unemployment Relief Measures, 1931-32. The record of the several Provincial and other allotments, Dominion commitments approved, balances unallotted and total cost of public works in connection with the sum of $20,000,000 appropriated under the Unemployment Relief Act, 1930, by the Dominion Parliament, for the relief of unemployment, is contained in *The Canadian Annual Review, 1930-31* (pages 441-45). Some of the Provinces at Mar. 31, 1931, had not covered by sub-agreement with the municipalities the entire amount allotted to them by the Dominion. In the succeeding months, however, several programmes of public works were submitted to the Provinces by the municipalities and agreements were entered into covering such programmes as were approved.

Upon representation being made also by various municipalities through the Provinces to the Federal Government an extension of time beyond the period stated for the completion of certain works was granted. The following table shows the payments made by the Dominion Government under the Unemployment Relief Act, 1930, for public works and direct relief as at Mar. 31, 1932:

Public Works and Direct Relief

	Public Works	Direct Relief	Total
Prince Edward Island	$ 90,000.00	$ 5,199.45	$ 95,199.45
Nova Scotia	682,287.66	95,439.50	777,727.16
New Brunswick	499,990.37	3,669.50	503,689.87
Quebec	2,671,229.81	702,044.06	3,373,273.87
Ontario	3,850,000.00	842,650.50	4,692,650.50
Manitoba	855,238.70	761,366.27	1,616,604.97
Saskatchewan (including Drought Area, $500,000.00)	1,455,642.54	411,982.26	1,867,624.80
Alberta	900,000.00	364,365.65	1,264,365.65
British Columbia	1,076,412.04	286,657.00	1,363,069.04
Yukon	19,998.29	.....	19,998.29
Canadian National Railways	735,218.37	.....	735,218.37
Canadian Pacific Railways	690,840.00	.....	690,840.00
Grade Crossing Fund	500,000.00	.....	500,000.00
Department of Interior (Parks Branch)	36,996.37	.....	36,996.37
	$14,063,854.15	$3,473,404.19	$17,537,258.34

The following table shows the number of families and individuals reported by the Provinces as having received direct relief under the provisions of the Unemployment Relief Act, 1930, to Aug. 31, 1931, all direct relief since that date being charged to the Unemployment and Farm Relief Act, 1931:

Families and Individuals

	Families Granted Direct Relief		Individuals Granted Direct Relief
Prince Edward Island	.....		496
Nova Scotia	5,572	and	500
New Brunswick	400		.....
Quebec*	66,438	and	262,137
Ontario	†19,000		.....
Manitoba	14,215	inc.	45,070
Saskatchewan	.....		26,610
Alberta	8,329	and	23,888
British Columbia	7,058	and	22,094

* In addition to above, the City of Montreal reported as having given 372,397 nights' lodgings to single men and 2,078,179 meals.

† Figure given for Ontario is number of cases including heads of families and single men.

At the 1931 Session of Parliament the Unemployment and Farm Relief Act, 1931, assented to on Aug. 3, conferred power upon the Governor-in-Council to expend such moneys as in his discretion might be deemed expedient for "relieving distress, providing employment and maintaining within the competence of Parliament, peace, order, and good government throughout Canada." (See *The Canadian Annual Review, 1930-31,* pages 71-4). The administration of the Act was, by Order-in-Council, vested in the Minister of Labour who, in conference with the various Provinces, entered into agreements as provided in the regulations with regard to expenditures for direct relief and for public works and undertakings for the purpose of providing work for the unemployed. The agreements provided that, with regard to direct relief where no employment could be given, the Dominion would pay to the Province for remittance to the municipalities such proportion of the expenditures of the municipalities as might be agreed upon, the balance being divided between the municipality and the Province. In regard to Provincial direct relief in unorganized districts "where no municipalities exist," the Dominion Government's contribution to direct relief was set at 50 per cent.

For municipal public works, the Dominion Government agreed to contribute 25 per cent. towards expenditures of municipalities in the five Eastern Provinces and 50 per cent. in the Western Provinces unless the assumption by the Dominion of a greater proportion of the cost of such works and undertakings was specifically authorized by the Governor-in-Council. The Dominion contributed 50 per cent. to Provincial works and undertakings in all Provinces, and a similar percentage in all Provinces was contributed by the Dominion in connection with work carried out on the Trans-Canada Highway. On Provincial highways, the Dominion contribution was 50 per cent. in Prince Edward Island, Manitoba, Saskatchewan, Alberta and British Columbia, and 40 per cent. in Nova Scotia, New Brunswick, Quebec and Ontario.

The agreements entered into with the Provinces provided that the Provinces would submit to the Dominion for approval of the Minister of Labour "schedules" setting forth the public works and undertakings proposed to be carried on by the Provinces and municipalities under the provisions of the agreements.

A sub-committee of the Executive Council on relief was appointed in October, 1931, consisting of the Minister of Labour (Chairman), the Rt. Hon. Sir George H. Perley, the Minister of Public Works, the Minister of Agriculture, the Minister of Fisheries, and the Solicitor-General, with the Dominion Director of Unemployment Relief as Secretary. The Committee was empowered to deal with the proposals of the municipalities and Provinces as put forward by the Provincial authorities.

The percentages payable by the Dominion under agreements are shown in the following table:

Percentages Payable by Dominion Under Agreements

	Date of Agreement 1931	Direct Relief		Public Works		Provincial	Trans-Canada
		Municipal Clause 1 P.C.	Provincial Clause 3 P.C.	Municipal Clause 6 P.C.	Provincial Clause 8 P.C.	Highways Clause 9 P.C.	Highway Clause 10 P.C.
Prince Edward Island	Oct. 10	33⅓	50	25	50	50	50
Nova Scotia	Sept. 30	33⅓	50	25	50	40	50
New Brunswick	Sept. 29	33⅓	50	25	50	40	50
Quebec	Oct. 17	33⅓	50	25	50	40	50
Ontario	Nov. 6	33⅓	50	25	50	40	50
Manitoba	Sept. 1	33⅓	50	50	50	50	50
Saskatchewan	Sept. 29	33⅓	50	50	50	50	50
Alberta	Sept. 9	33⅓	50	50	50	50	50
British Columbia	Aug. 19	33⅓	50	50	50	50	50

Percentages for clause 6 may be increased by the Governor-in-Council (see Clause 6 of agreement, appendix "C" in *Report of the Deputy Minister of Labour, 1931-32*).

As a Dominion contribution to Provincial and municipal expenditures for public works the following table shows the amount that had been approved at Mar. 31, 1932, under the agreements entered into with the Provinces in accordance with the Relief Act, 1931:

Municipal and Provincial

Province	Municipal Works	Provincial Works	Provincial Highways	Trans-Canada Highway	Total
Prince Edward Island	$ 11,125.00	$ 12,500.00	$ 101,375.00	.....	$ 125,000.00
Nova Scotia	193,508.32	7,500.00	399,778.71	$ 399,136.35	999,923.38
New Brunswick	118,650.00	143,222.50	413,370.00	74,450.00	749,692.50
Quebec	3,951,377.50	342,700.00	309,000.00	.....	4,603,077.50
Ontario	3,745,000.00	180,833.34	2,240,000.00	2,625,000.00	8,790,833.34
Manitoba	1,938,079.13	398,902.38	333,005.00	262,000.00	2,931,986.51
Saskatchewan	1,602,922.53	475,000.00	683,999.14	.....	2,761,921.67
Alberta	1,451,312.50	3,400.00	895,750.00	244,000.00	2,594,462.50
British Columbia	1,374,985.50	24,129.50	1,100,370.50	500,500.00	2,999,985.50
TOTAL	$14,386,960.48	$1,588,187.72	$6,476,648.35	$4,105,086.35	$26,556,882.90

There were also undertakings to relieve unemployment under the 1931 Act in connection with which the Dominion Government paid the entire cost which at Mar. 31, 1932, was as follows:

Federal Works

Department	Cost of Works Approved	Amount Expended
Department of Interior (including Yukon)	$ 885,100.00	$ 803,585.95
Department of Public Works	2,588,077.00	1,592,933.46
Department of Agriculture	7,000.00	6,999.79
Department of Railways and Canals	2,026,860.00	542,429.73
Board of Railway Commissioners	500,000.00	500,000.00
Department of National Defence	71,200.00	70,936.20
National Battlefields Commission	25,000.00	25,000.00
Department of Justice	277,693.20	83,177.54
Saskatchewan Drought Area (Medical aid)	100,000.00	.....
TOTAL	$6,480,930.20	$3,625,062.67

The following table shows the volume of employment created up to Mar. 31, 1932, under the Unemployment and Farm Relief Act, 1931, by the carrying out of the Federal, Provincial and municipal works referred to above. This table does not take into account men engaged in the production and distribution of the material and equipment necessarily involved in the carrying out of the works to which contribution was made.

Employment Created

Provinces, Etc.	Individuals Given Employment	Number of Man-Days Work Given
Prince Edward Island	6,249	69,496
Nova Scotia	32,944	406,783
New Brunswick	27,743	417,823
Quebec	95,227	1,319,996
Ontario	115,000	4,400,000
Manitoba	47,841	495,746
Manitoba Farm Replacement	1,400	61,106
Saskatchewan	10,426	436,706
Saskatchewan Farm Replacement	7,937	594,016
Alberta	36,153	506,467
British Columbia	34,538	1,070,221
Yukon	130	1,295
Department of Agriculture	101	3,177
Department of National Defence	597	13,264
National Battlefields Commission	142	5,182
Department of Railways and Canals	4,074	44,910
Department of Public Works	6,157	176,775
Department of Interior (Parks Branch)	4,407	264,740
TOTAL	431,066	10,287,703

The table below shows at date of Mar. 31, 1932, the approved Dominion commitments for works, the accounts paid, and the balance unpaid in respect of approved works undertaken under the provisions of the Unemployment and Farm Relief Act, 1931. It also shows the amount of direct relief accounts paid.

	Public Works			Direct Relief	
Provinces, Etc.	Dominion Approvals	Accounts Paid	Balance Unpaid	Accounts Paid	Total Accounts Paid
Prince Edward Island	$ 125,000.00	$ 106,193.86	$ 18,806.14	$ 1,723.39	$ 107,917.25
Nova Scotia	999,923.38	61,488.72	938,434.66	48,152.07	109,640.79
New Brunswick	749,692.50	162,265.00	587,427.50	1,902.02	164,167.02
Quebec	4,603,077.50	529,547.53	4,073,529.97	34,737.73	564,285.26
Ontario	8,790,833.34	456,190.48	8,334,642.86	453,349.63	909,540.11
Manitoba	2,931,986.51	509,567.14	2,422,419.37	356,291.86	865,859.00
Saskatchewan	2,759,921.67	839,145.46	1,920,776.21	39,726.01	878,871.47
Alberta	2,594,462.50	851,719.96	1,742,742.54	88,476.78	940,196.74
British Columbia	2,999,985.50	380,137.28	2,619,848.22	129,692.40	509,829.68
Department of Interior (including Yukon)	885,100.00	803,585.95	81,514.05	.....	803,585.95
Department of Public Works	2,588,077.00	1,592,933.46	995,143.54	.....	1,592,933.46
Department of Agriculture	7,000.00	6,999.79	0.21	.....	6,999.79
Department of Railways and Canals	2,026,860.00	542,429.73	1,484,430.27	.....	542,429.73
Board of Railway Commissioners	500,000.00	500,000.00	.....	.....	500,000.00
Department of National Defence	71,200.00	70,936.20	263.80	.....	70,936.20
National Battlefields Commission	25,000.00	25,000.00	.....	.....	25,000.00
Department of Justice	277,693.20	83,177.54	194,515.66	.....	83,177.54
Saskatchewan Drought Area (Medical Acct.)	100,000.00	.....	100,000.00	.....	.....
Administration	.....	.....	.....	.....	56,081.78
TOTAL	$33,035,813.10	$7,521,318.10	$25,514,495.00	$1,154,051.89	$8,731,451.77

In addition to expenditure for direct relief shown in the above table, the Saskatchewan Relief Commission reported disbursements to Feb. 20, 1932, amounting to $4,275,991. This covered relief given to approximately 53,727 families, including at least 322,362 individuals.

Arrangements were made with the Canadian Passenger Association whereby a reduced railway fare of 1½ cents per mile was granted in connection with the sending of unemployed men from urban centres to relief camps established by Provinces; also in connection with the movement of unemployed farm help from urban centres to work on farms during the Winter

under arrangements made by Provinces, municipalities and farmers, and the movement of unemployed men to camps established in different centres for land clearing. The Dominion Government and the Province concerned each paid 50 per cent. of the cost of such transportation. Upon termination of employment, providing the worker remained ninety days or more, a return fare was arranged at the rate of 2 cents per mile payable by the worker.

The total expenditures for railway transportation and the amounts collected from the Provinces under the Unemployment and Farm Relief Act, 1931, as at Mar. 31, 1932, are shown in the following table:

Transportation of Unemployed

	Total Paid by Dominion	Charged to Province	Paid by Province	Balance Due from Province
Prince Edward Island	.....	.....	.....	.....
Nova Scotia	.....	.....	.....	.....
New Brunswick	.....	.....	.....	.....
Quebec	.....	.....	.....	.....
Ontario	$50,937.86	$25,468.91	$25,468.91	.....
Manitoba	2,592.67	1,296.34	1,296.34	.....
Saskatchewan	1,415.63	707.81	707.81	.....
Alberta	1,876.95	938.48	922.20	$ 16.28
British Columbia	3,412.31	1,706.17	.....	1,706.17
TOTAL	$60,235.42	$30,117.71	$28,395.26	$1,722.45

In order that speedy and unhampered prosecution of the measures instituted to relieve distress and provide employment might be carried out, the Governor-in-Council, under authority of Sub-section (*c*) of Section 3 of the Unemployment and Farm Relief Act, 1931, assisted certain of the Provinces by way of loans or advances in the financing of maturing obligations which the Provinces were, at the moment, unable to refinance.

(For further and detailed information as to Federal financial assistance to the Provinces and for legislation enacted during the 1932 Session of Parliament toward the further relief of unemployment see Section: "Federal Administration and Politics" elsewhere in this Volume).

In a statement issued from the Department of Labour to the Press on June 29, 1932, it was shown that the Dominion Government's administration expense from the beginning of the relief legislation in 1930 up to May 1, 1932, was approximately $125,000, or about .09 of one per cent., or in fractions, less than one-tenth of one per cent. of the total expenditure for relief which was approximately $140,000,000 up to May 1, 1932, under the 1930 and 1931 Relief Acts. The administration expenses with regard to the 1930 and 1931 Acts to Mar. 31, 1932, were $43,061 and $56,081, respectively.

Combines Investigation Act. Upon the finding in October, 1930, by the Commissioner (T. N. Phelan, K.C.), appointed under the Combines Investigation Act to investigate the Electrical Estimators Association, that a Combine existed, prosecution proceedings were instituted by the Province of Ontario. Twenty-three firms and individuals connected with the Association were committed for trial after a preliminary hearing in the Toronto Police Court on Sept. 17, 1931, on charges laid under the Combines Investigation Act and under Section 498 of the Criminal Code. The trial before Mr. Justice Raney in the Supreme Court of Ontario was concluded on Dec. 15, 1931, and judgment was delivered on Jan. 12, 1932. Each of the defendants was found guilty under four counts of the indictment. The fines, imposed under the Combines Investigation Act, amounted to $26,200: $2,500 in the case of each of the seven corporations, and $1,000 for each of the seven individual defendants who were representatives of their respective corporations in the Electrical Estimators Association.

Another investigation under the Combines Investigation Act was that of Peter White, K.C., into an alleged combine in the motion picture industry. In his Report, issued on July 7, 1931, he stated that his finding was that the

principal parties to the combine were Famous Players Canadian Corporation Limited, the dominant company in the Canadian motion picture industry; Paramount Publix Corporation, its United States parent company; thirteen companies distributing motion picture films in Canada; and Motion Picture Distributors and Exhibitors of Canada, a trade association representing chiefly the film exchanges. A number of theatre companies which were subsidiaries of Famous Players Canadian Corporation also were listed as participants in the alleged offences. The Commissioner found that the combine had operated against the public interest by various improper methods adopted for securing control of motion picture theatres throughout Canada and for influencing the operations of film distributors, independent theatre owners and others. Some of the methods used by Famous Players as cited in the Commissioners Report were: a system of "protection" by which those alleged to be in the combine received protection for an unjustifiably long clearance period; a system of "booking arrangements" entered into by Famous Players and other companies and individuals, by which Famous Players, in order to increase their purchasing power, contracted for the pictures and books owned and operated by those others; "pooling agreements," a similar arrangement to the above; "operating agreements" between Famous Players and other exhibitors under which the former operated the theatre and contracted for and booked the pictures; the "acquisition of many theatres" by Famous Players, their subsidiaries and affiliations, sometimes by threatening to build theatres in opposition, often by threatening to cause the withholding of a supply of suitable pictures and sometimes by actually taking steps to do so; by the "purchase of theatre sites" and the obtaining of "options" on such, which, in some instances were used to deter others from building theatres, thereby lessening competition; by "contracts or arrangements, verbal or otherwise," by which first choice of pictures to be released would be given to Famous Players; by closing and keeping closed by Famous Players certain theatres which "are a constant menace" to anyone contemplating building a theatre in competition with the theatre or theatres of Famous Players, their subsidiaries or affiliations. In the Province of Ontario prosecution proceedings were instituted in October and the trial of fifteen companies and three individuals charged as parties to the alleged combine commenced in the Criminal Assizes at Toronto, on Jan. 25, 1932. The eighteen defendants were tried before Mr. Justice Garrow without a jury on all three counts of the indictment, one count being under the Combines Investigation Act and two under Section 498 of the Criminal Code. The trial occupied three weeks, concluding on Feb. 14. The judgment delivered by Mr. Justice Garrow on Mar. 7 acquitted all parties charged as members of the alleged combine.

In connection with an investigation into the Amalgamated Builders' Council and related organizations, the finding of a combine in the plumbing and heating industry in Ontario, and the prosecutions and convictions which followed (See *The Canadian Annual Review 1930-31*, pages 446-47), the Supreme Court of Canada, in November, 1931, refused leave to appeal against the conviction of Louis M. Singer in Rex *v.* Singer, *et al.* The appeal against the conviction of Belyea and Weinraub, the President and Secretary of the A.B.C., was heard by the Supreme Court in November and the judgment of the Court, dismissing the appeal, was delivered by Mr. Chief Justice Anglin in February, 1932.

An action for slander taken by W. F. O'Connor against Gordon Waldron, K.C., the Commissioner in the A.B.C. investigation was dismissed on May 5, 1930, by Mr. Justice Orde. An appeal by W. F. O'Connor was heard by the Appellate Division of the Supreme Court of Ontario in April, 1931. The Court dismissed the appeal on June 15, 1931, Mr. Justice Hodgins dissenting. Mr. Justice Middleton, writing the judgment of the Court stated in reviewing the facts of the case, that during the course of the investigation under the Combines Investigation Act "it was suggested that the plaintiff, who is a practising barrister and solicitor, had suggested or advised the things that were shown to have been done and which, in the opinion of the Commissioner, constituted a combine. The Commissioner expressed his disapproval of the plaintiff's conduct in strong and emphatic language. Hence this action." A

further appeal by Mr. O'Connor to the Supreme Court of Canada was dismissed with costs in an unanimous judgment delivered Dec. 22, 1931.

Wages and the Cost of Living. Wages, while still remaining at a fairly high level throughout 1931, showed, for the first time in many years, a downward trend in every class of labour except that of printing. The following is a comparative table of index numbers of rates of wages from 1913 to 1931 taken from *The Labour Gazette Supplement*:

Rates of Wages for Various Classes of Labour in Canada, 1913-1931

(Rates in 1913=100)

Year	Building Trades (a)	Metal Trades (b)	Printing Trades (c)	Electric Railways (d)	Steam Railways (e)	Coal Mining (f)	* Average	Common Factory Labour (g)	Miscellaneous Factory Trades (g)	Logging and Sawmilling (g)
1913	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
1914	100.8	100.5	102.4	101.0	101.4	101.9	101.3	101.0	106.2	94.7
1915	101.5	101.5	103.6	97.8	101.7	102.3	101.4	101.0	106.2	89.1
1916	102.4	106.9	105.8	102.2	105.9	111.7	105.8	119.4	115.1	109.5
1917	109.9	128.0	111.3	114.6	124.6†	130.8	119.0	129.2	128.0	130.2
1918	125.9	155.2	123.7	142.9	158.0	157.8	142.6	152.3	146.8	150.5
1919	148.2	180.1	145.9	163.2	183.9	170.5	165.3	180.2	180.2	169.8
1920	180.9	209.4	184.0	194.2	221.0	197.7	197.8	215.3	216.8	202.7
1921	170.5	186.8	193.3	192.1	195.9	208.3	191.2	190.6	202.0	152.6
1922	162.5	173.7	192.3	184.4	184.4	197.8	182.4	183.0	189.1	158.7
1923	166.4	174.0	188.9	186.2	186.4	197.8	183.3	181.7	196.1	170.4
1924	169.7	175.5	191.9	186.4	186.4	192.4	183.7	183.2	197.6	183.1
1925	170.4	175.4	192.8	187.8	186.4	167.6	179.7	186.3	195.5	178.7
1926	172.1	177.4	193.3	188.4	186.4	167.4	180.5	187.3	196.7	180.8
1927	179.3	178.1	195.0	189.9	198.4	167.9	184.3	187.7	199.4	182.8
1928	185.6	180.1	198.3	194.1	198.4	168.9	187.4	187.1	200.9	184.3
1929	197.5	184.6	202.3	198.6	204.3	168.9	192.7	187.8	202.1	185.6
1930	203.2	186.6	203.3	199.4	204.3	169.4	194.4	188.2	202.3	183.9
1931	195.7	182.9	205.1	198.6	199.2‡	169.4	191.8	183.4	197.3	163.0

* Simple average of six preceding columns.
† Including some increases effected near the end of the year.
‡ Including a ten per cent. decrease for certain classes toward the end of the year.
(*a*) Seven trades from 1901 to 1920, eight from 1921 to 1926, nine from 1927 to 1931.
(*b*) Five trades from 1901 to 1926, four from 1927 to 1931.
(*c*) Two trades from 1901 to 1920, four from 1921 and 1922, six from 1923 to 1931.
(*d*) Two classes from 1901 to 1920, five classes 1921 to 1931.
(*e*) Twenty-three classes.
(*f*) Four classes 1901 to 1920, twelve classes 1921 to 1931.
(*g*) The number of samples has been increased each year since 1920.

The downward movement of prices, which became pronounced toward the middle of 1930, continued throughout the fiscal year of 1931-32. Foods and raw materials fell rapidly in price, manufactured articles showing a less rapid decline. The fall in wholesale prices was not so precipitous as during the preceding year, the index number, calculated by the Dominion Bureau of Statistics, being 8 per cent. lower in March, 1932, as compared with a decline of 18 per cent. during the fiscal year 1930-31. At the close of the fiscal year 1931-32 the index was 50 per cent. below the peak of 1920. Retail prices and cost of living also declined during the year, the index number as computed by the Department of Labour being, in March, 1932, 10 per cent. below the same month in the preceding year. Food prices receded 20 per cent. during this period, clothing prices, 13 per cent., while in fuel and sundries the decline was slight.

The following table of prices of staple foods, fuel and lighting, and rent compares the peak prices of 1920 with the low levels of 1926, and similarly the year 1929 with the year 1931, in the terms of the average retail prices in 69 cities in Canada. It also compares the cost per week of a family budget but is not intended to show the minimum cost for an average family. (Taken from *Prices in Canada and Other Countries, 1931*, published by the Department of Labour):

Food Prices

Commodity	Quantity	1920 Jan.	1920 July	1926 Jan.	1926 July	1929 Jan.	1929 July	1931 Jan.	1931 July	1931 Dec.	1931 Year
		c.	c.	c.	c.	c.	c.	c.	c.	c.	c.
1 Beef, sirloin	2 lbs.	71.4	84.0	56.4	62.0	69.4	76.4	63.0	57.6	50.0	57.3
2 Beef, shoulder	2 "	46.4	54.4	30.6	34.4	43.2	48.6	37.2	31.2	26.6	31.6
3 Veal, shoulder	1 "	25.7	28.1	18.5	19.7	23.9	24.4	22.0	17.5	16.0	18.3
4 Mutton, roast	1 "	32.3	37.3	28.9	30.7	30.1	31.7	26.9	26.2	21.9	25.3
5 Pork, leg	1 "	36.5	40.7	28.5	32.3	27.2	31.6	25.9	23.2	16.6	22.3
6 Pork, salt	2 "	69.6	74.0	53.8	58.0	53.2	56.0	52.6	45.2	36.0	45.2
7 Bacon, breakfast	1 "	52.4	57.0	41.4	44.7	38.4	39.4	38.3	29.2	22.3	30.1
8 Lard, pure	2 "	77.6	75.8	49.8	49.8	44.8	44.0	41.6	29.2	26.0	31.5
9 Eggs, fresh	1 doz.	86.6	59.2	62.8	38.2	60.2	36.0	50.5	24.4	49.5	33.7
10 Eggs, storage	1 "	69.5	52.6	50.1	34.7	48.4	32.1	40.1	20.3	36.7	27.1
11 Milk	6 qts.	90.6	88.2	73.8	68.4	75.0	72.0	72.6	63.6	63.6	66.6
12 Butter, dairy	2 lbs.	135.2	118.8	92.0	74.4	88.2	79.4	67.6	46.6	47.4	54.5
13 Butter, creamery	1 "	74.8	66.3	50.7	42.0	48.3	44.1	37.3	26.8	27.2	30.0
14†Cheese, old	1 "	40.9	40.6	33.4	31.6	33.8	33.2	29.2	23.5	22.5	25.1
15†Cheese, new	1 "	38.1	38.4	33.4	31.6	33.8	33.2	29.2	23.5	22.5	25.1
16 Bread	15 "	120.5	144.0	115.5	114.0	115.5	115.5	99.0	93.0	90.0	93.8
17†Flour, family	10 "	74.0	84.0	54.0	53.0	50.0	48.0	37.0	33.0	31.0	32.7
18 Rolled oats	5 "	40.0	44.0	29.0	29.0	31.5	31.5	26.5	25.0	23.5	24.8
19†Rice	2 "	30.4	34.2	22.0	21.8	21.0	20.6	19.6	18.6	17.6	18.5
20 Beans, handpicked	2 "	23.2	22.2	16.0	15.8	21.2	23.8	15.4	12.2	9.8	12.3
21 Apples, evaporated	1 "	26.2	29.1	20.3	19.8	20.6	21.3	19.6	17.0	17.4	17.8
22 Prunes, medium	1 "	25.7	27.2	15.7	15.8	13.6	13.7	12.6	12.0	11.8	12.1
23 Sugar, granulated	4 "	62.0	93.6	31.6	31.6	30.0	28.4	25.6	24.8	24.8	25.0
24 Sugar, yellow	2 "	28.6	43.4	15.0	15.0	14.4	13.6	12.2	12.0	11.8	12 0
25†Tea, black	¼ "	16.0	16.4	17.9	18.0	17.7	17.6	14.3	13.8	13.2	13.8
26†Tea, green	¼ "	16.7	16.8	17.9	18.0	17.7	17.6	14.3	13.8	13.2	13 8
27 Coffee	¼ "	14.7	15.4	15.1	15.4	15.2	15.1	13.3	12.3	11.3	12.3
28 Potatoes	⅛ bag	103.0	197.4	88.0	85.9	42.6	48.2	41.7	34 2	23.3	34.4
29 Vinegar	1/16 qt.	.9	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
		$	$	$	$	$	$	$	$	$	$
30 All Foods		15.30	16.84	11.63	11.07	11.30	10.98	9.86	8.11	7.85	8.49
		c.	c.	c.	c.	c.	c.	c.	c.	c.	c.
31 Starch, laundry	⅛ lb.	4.7	5.0	4.1	4.2	4.1	4.0	4.0	4.0	4.0	4.0
32 Coal, anthracite	1/16 ton	87.8	105.0	114.7	106.2	102.1	100.6	101.4	100.0	101.2	100.4
33 Coal, bituminous	1/16 "	65.2	76.6	65.8	63.2	63.0	62.8	62.5	61.6	60.8	61.5
34 Wood, hard	1/16 cord	80.6	82.2	76.9	75.7	75.5	76.5	75.6	73.2	69.8	73.1
35 Wood, soft	1/16 "	62.5	63.3	56.2	55.9	55.4	55.1	54.4	53.8	51.3	53.5
36 Coal oil	1 gal.	31.0	37.2	30.1	30.8	31.0	31.1	30.7	29.8	27.2	29.1
		$	$	$	$	$	$	$	$	$	$
37 Fuel and lighting		3.27	3.64	3.44	3.32	3.27	3.26	3.25	3.18	3.10	3.18
		$	$	$	$	$	$	$	$	$	$
38 Rent	¼ mo.	5.54	6.38	6.86	6.87	6.94	6.98	7.06	6.93	6.77	6.95
		$	$	$	$	$	$	$	$	$	$
39‡‡TOTALS		24.15	26.92	21.96	21.30	21.55	21.26	20.21	18.26	17.76	18.66

‡‡ An allowance for the cost of clothing and sundries would increase the figures by about 50 per cent.

† Kind most sold since October, 1922.

Strikes and Lockouts. During 1931 there were 88 strikes and lockouts throughout Canada, an increase of 21 over the 1930 record. The 1931 number was approximately the same as the average number each year since 1922. There were 10,738 workers involved in the 1931 strikes, a much lower number than that of 1930 or of any year since 1914, the lowest on record. The year was marked by the number of disputes involving small numbers of employees, usually for short periods of time. On the other hand, owing to the occurrence of five disputes involving relatively large numbers of employees for some length of time, the time loss in "man-working days" was considerably greater than during 1930, but approximately equal to the average number of days lost during the previous five years, and less than during most of the years since 1901. The largest dispute during the year was that involving 1,500 workers in women's clothing factories at Toronto, from Feb. 25 to May 7 and resulting in a time loss of 47,000 working days. Other

important disputes during the year were as follows: that of 650 sawmill workers at Fraser Mills, B.C., lasting over two months in the Autumn, and resulting in a time loss of 35,000 working days; that involving 122 photo-engravers at Toronto and London, Ont., Quebec and Montreal, Que., and Winnipeg, Man., from May 4 until the end of the year 1931, resulting in a time loss of 20,000 working days; that of 360 sawmill workers at Barnet, B.C., from Sept. 23 until the end of the year, resulting in a time loss of 14,500 working days; and that of 206 masters and mates at Vancouver and Victoria, B.C., from Apr. 21 to July 11, resulting in a time loss of 14,000 working days. The record included seven strikes involving men engaged by municipal and Provincial authorities on unemployment relief work, which were, therefore, not industrial disputes in the sense of interruptions to industry. These disputes involved 837 workers and a time loss of 4,562 working days. In addition, there were reported to the Department a number of cases of cessation of work by men on unemployment relief work who were not receiving wages but performing some work and receiving direct relief which was not affected by the cessation of work. There being no relation of employer and employee involved, such disputes were not included in the record.

Twenty-one applications, directly concerning over 40,000 employees, for the establishment of Boards of Conciliation and Investigation under the terms of the Industrial Disputes Investigation Act, were received during 1931-32 according to the Annual Report of the Registrar for the fiscal year ended Mar. 31, 1932. Six Boards were established and one Royal Commission was appointed under the terms of the Statute. The latter resulted from a strike, involving about 600 employees of whom only 200 were working at the time, which occurred in the lignite coal mining area in the vicinity of Estevan and Bienfait in southeastern Saskatchewan on Sept. 7, 1931, owing to the non-recognition by the mine operators of the Mine Workers Union of Canada which had organized the district a short time before, continued reductions in wage schedules, and unsatisfactory working conditions in the mines and living conditions in the mining camps. On Oct. 6, through the mediation of the Provincial authorities, a tentative agreement was reached whereby the men returned to work the following day pending a further conference which was held, Oct. 19-20, when a temporary wage schedule was agreed upon. The Royal Commissioner (His Honour Judge Edmund R. Wylie), appointed Sept. 18, 1931, issued his Report on Jan. 29, 1932, suggesting a series of remedies in connection with inspection of the mines, improvement in living conditions, hours worked by the miners and methods of payment and an increased market for Saskatchewan lignite coal, and, in addition, that wage schedules be arranged by conference between operators and their employees and that miners be paid on a mine-run basis in every mine where such change of system could be effected.

Toward the end of March, 1932, on the application of both parties a Board was constituted to deal with a dispute concerning wages and working conditions between various coal operators in the Drumheller district, Alberta, and their employees, being members of District 18, United Mine Workers of America. The employees numbered approximately 1,400 while the employers included the Jewel Collieries, Limited, Midland Coal Mining Co., Limited, Rosedale Coal Co., Limited, Western Gem Coal Co., Limited, Thomas Coal Co., Limited, Newcastle Coal Co., Limited, Alberta Block Coal Co., Limited, and the Star Coal Mines, Limited.

The Canadian National Railways and the Canadian Pacific Railway (subsidiary railways: the Dominion Atlantic Railway, Quebec Central Railway, Northern Alberta Railways, and Esquimault and Nanaimo Railway) applied on Oct. 30, 1931, for the establishment of a board to deal with a proposed ten per cent. decrease in wages affecting 26,500 employees in Canada. The majority Report of the Board which recommended that a ten per cent. reduction should be put into effect as from Nov. 15, 1931, was rejected by the employees, but an agreement was finally reached on Feb. 4, 1932, providing for a ten per cent. reduction from Dec. 1, 1931, to Jan. 31, 1933, basic rates of pay to remain unchanged.

The remainder of the disputes were caused mainly by wage reductions, the others arising from employees' request for increased wages and improved working conditions; alleged violation of agreement by company; employees' request for renewal of agreement with certain adjustments, and alleged unjust dismissal of certain employees.

Proceedings by Industries from Apr. 1, 1931, to Mar. 31, 1932

Industries Affected	Number of Applications for Boards	Number of Boards Established	Number of Strikes not Averted or Ended
I. Disputes affecting mines, transportation and communication and other public utilities—			
(1) Mines—			
Coal	4	1	0
(2) Transportation and communication—			
Steam railways	5	2	0
Street and electric railways	3	3	0
Shipping	2	0	0
Telephones	1	0	0
(3) Miscellaneous—			
Light and power	4	0	0
II. Disputes not falling clearly within the direct scope of the Act	2	0	0
TOTAL	21*	6	0

* Including 1 case carried over from preceding year.

Workmen's Compensation; Old Age Pensions. The number of fatal accidents in industry during 1931, according to the Department of Labour, was 1,135, as compared with 1,655 for 1930. Construction accounted for the largest number, namely, 206 or 18.15 per cent. of the total, followed by transportation with 199 or 17.53 per cent., agriculture with 162 or 14.27 per cent., and mining with 154 or 13.57 per cent. Electric light and power, however, showed the highest rate per thousand workers employed, namely 2.72, followed by water transportation with 2.32 per thousand, coal mining with 2.30 per thousand, metalliferous mining with 2.16 per thousand, logging with 1.83 per thousand, non-metallic mineral mining with 1.20 per thousand and construction with 1.11 per thousand, rates in other industries and sub-groups being below one per thousand, the manufacture of chemical and allied products having a rate of .81 per thousand, and the manufacture of non-metallic mineral products a rate of .77 per thousand. An analysis by causes of fatalities showed the largest number under the category "By moving trains, vehicles, etc.," namely, 292. Next in order came "Falls of persons," causing 231 fatalities, followed by "Dangerous substances," causing 165 fatalities, of which 54 were due to electric current, 32 to explosive substances and 9 to mine explosions. "Falling objects" caused 145 fatalities, while animals caused 43 fatalities. Industrial diseases, strains, etc., resulted in 27 fatalities. A compilation by Provinces showed 393 industrial fatalities in Ontario, 268 in Quebec, 156 in British Columbia, 88 in Nova Scotia, 76 in Manitoba, 68 in Alberta, 55 in Saskatchewan, 26 in New Brunswick, and 5 in Prince Edward Island.

(For Provincial Annual Reports of Workmen's Compensation Boards, for Provincial legislation, and for inquiries into the Workmen's Compensation Act, see the various Sections in this Volume covering the records of the Provinces).

Following the enactment of legislation at the 1931 Session of Parliament by which the Federal contribution to Old Age Pensions was increased from 50 to 75 per cent., the regulations were revised and agreements were entered into with the Provinces whereby this Amendment became effective as from Nov. 1, 1931. Old age pensioners in Canada at Mar. 1, 1932, numbered 67,006 as compared with 57,930 at Mar. 1, 1931, a net increase of 9,076, while total disbursements during 1931-32 aggregated $14,526,908.

Financial Summary of Old Age Pensions in Canada as at Mar. 31, 1932

	Alberta	British Columbia	Manitoba	Ontario	Saskatchewan	Northwest Territories
	Act effective Aug. 1, 1929	Act effective Sept. 1, 1927	Act effective Sept. 1, 1928	Act effective Nov. 1, 1929	Act effective May 1, 1928	Order in Council effective Jan. 25, 1929
Total number of pensioners, as at March 31, 1932	4,382	6,486	7,190	41,300	7,643	5
Average monthly pension	$ 19.16	$ 19.05	$ 19.71	$ 18.67	$ 19.24	$ 19.84
Arrears paid to Province for period Nov. 1-Dec. 31, 1931, on account of increase in Dominion Government's proportion from 50% to 75%	39,503.41	61,497.53	66,032.32	334,078.08	71,098.18	.....
Total amount of pensions paid by Province during fiscal year 1931-32 (period April 1, 1931, to March 31, 1932)	902,923.25	1,428,664.21	1,569,926.49	8,969,465.37	1,654,385.97	1,543.07
Dominion Government's share of expenditure..	552,554.38	870,444.40	955,549.92	5,250,551.47	1,008,744.05	1,543.07
Total amount of pensions paid by Province since inception of Old Age Pensions Act to March 31, 1932	1,853,984.19	4,692,227.85	4,559,773.48	18,293,575.94	4,226,517.81	3,663.45
Dominion Government's share of expenditure..	1,028,084.83	2,502,226.21	2,450,473.44	9,912,606.74	2,294,809.96	3,663.45

Labour Organization in Canada, 1931. The Twenty-first Annual Report of Labour Organization in Canada, covering the calendar year 1931, which was submitted to the Minister of Labour, Hon. W. A. Gordon, K.C., by the Deputy Minister, H. H. Ward, in March, 1932, stated that for the first time since 1924 membership of trade unions in Canada showed a decline, the net decrease being 11,905. The loss in following would probably have been greater if a number of organizations had not paid from surplus funds the *per capita* tax of out-of-work members, and thus kept them in good standing. The international craft union group, consisting of members of 82 Canadian organizations, had 1,884 branches, a decrease of 62, with a combined membership of 188,219, a loss of 15,259. The One Big Union reported 46 local units in Canada, a gain of 1, with 24,260 members, an increase of 536. The Industrial Workers of the World claimed 5 branches, a loss of 1, with 3,466 members, a decrease of 275. Canadian Central Labour organizations numbered 25, a decrease of 2, with 679 local branches, a gain of 6, with a combined membership of 57,349, an increase of 181. There were 37 independent units, an increase of 6, with a reported membership of 12,099, a gain of 2,761. The national Catholic group consisted of 121 syndicates, an increase of 13, with a combined membership of 25,151, a gain of 151. A computation of these figures indicated that there were 2,772 trade union branches in Canada in 1931, a loss of 37, with an estimated combined membership of 310,544, representing 3 per cent. of the population.

Of the International Craft Unions the largest membership was reported by the Brotherhood of Maintenance-of-Way Employees (17,440), followed by the United Mine Workers of America (17,100), the Brotherhood of Railway Carmen of America (13,316), Brotherhood of Railroad Trainmen (13,278),

United Brotherhood of Carpenters and Joiners (11,553). Seven other international unions had Canadian membership exceeding 5,000. The only organizations in the Canadian group having a membership of like size were the Canadian Brotherhood of Railway Employees (17,350) and the Trades and Labour Congress of Canada (5,739 members of 42 directly chartered unions).

The 47th Annual Convention of the Trades and Labour Congress of Canada was held in Vancouver, B.C., on Sept. 21-25, 1931. The Report of the Secretary-Treasurer, indicated the total paid-up membership for the year as 141,137, an increase of 2,250, comprised in 1,635 branch unions, a gain of 71 in unions affiliated. The total receipts were $38,006 and total expenditure, $23,282. There were 124 formal resolutions presented, among those adopted were the proposals for old age pensions, state insurance for sickness and disability; unemployment insurance; establishment of a Tariff Board and of a Colonization and Immigration Council on which Labour would be fully represented. Tom Moore, Ottawa, was re-elected President and P. M. Draper, Ottawa, Secretary-Treasurer. The City of Hamilton, Ont., was selected as the place of meeting in 1932, Subsequently on Jan. 26, 1932, representatives of the Congress in a delegation to the Prime Minister presented a memorandum asking for the following: (1) Royal Commission to investigate Beauharnois; (2) nationalization of banks and credit; (3) nationalization of public utilities; (4) cancellation of War debts; (5) public ownership of radio broadcasting; (6) repeal of that Section of the Criminal Code dealing with sedition and free speech; and (7) imposition of higher income tax schedules.

The Fifth Annual Convention of the All-Canadian Congress of Labour which was to have opened in Montreal on Nov. 2, 1931, was postponed until 1932. The reported membership of the Congress at the close of the year 1931 was 28,322, an increase over 1930 of 359, and comprised in 11 affiliated central organizations, with 336 local branches, and 31 directly chartered local unions.

The Federation of Catholic Workers held their Annual Meeting in Quebec on Aug. 29, 1931, with an attendance of 111 delegates representing 69 bodies. The financial report for the fiscal year showed receipts of $9,654 and disbursements of $8,923. Important resolutions passed included the following: urging the enforcement of that article of the Criminal Code which forbade the propagation of revolutionary ideas as embodied in Communistic doctrines; requesting the Federal Government to raise the tariff on all commercial printing done for Canada in the United States and elsewhere; asking the Provincial Government to create a Hydro-electric commission such as that in Ontario, to adopt an apprentice law similar to that in force in France and to grant old age pensions. Officers elected for 1931-32 were as follows: President, Pierre Beaulé; 1st Vice-President, Osias Filion; 2nd Vice-President, M. H. Quévillon; and Secretary-Treasurer, Ferdinand Laroche.

The advent of the national Catholic movement in Canada dated from 1901, the year in which a union of shoe workers in the City of Quebec, following upon an adjustment of a dispute in the shoe indusfry in that locality by the Archbishop of the diocese, accepted the social doctrine of the Catholic Church and admitted a chaplain. Other national unions were subsequently formed in the Province of Quebec, all of which accepted for their guidance the declaration of Pope Leo XIII., who on May 15, 1891, issued an encyclical on "The Conditions of the Working Classes," the provisions of which were later proclaimed by Pope Pius X. as fundamental rules for workingmen's associations. On May 23, 1931, Pope Pius XI. issued an encyclical in which he amplified the encyclical of Pope Leo XIII., and pointed out that where for various reasons it was impossible for Catholics to form Catholic unions, then they might enroll themselves in neutral trade unions, these to respect justice and equity and leave to their Catholic members full freedom to follow the dictates of their conscience and to obey the precepts of the Church.

The 63rd Annual Meeting of the British Trades Union Congress was held at Bristol, England, on Sept. 7-11, 1931, at which Robert Livett of Calgary, Alta., President of District 18 of the United Mine Workers, was present

as fraternal delegate from the Trades and Labour Congress of Canada. The paid-up membership was reported as 3,719,401, a decrease of 24,919 over 1930.

The Communist Party of Canada, which was declared to be an unlawful association by an Ontario court, in November, 1931 (See Section: "Immigration" in this Volume for case against Communists), was formally organized at the first national convention held in Toronto on Feb. 17, 1922, under the name of the Workers' Party of Canada. The organization operated under the latter name until the third Convention held in April, 1924, when the change in title was decided upon. The platform of the Communist Party as approved by the first convention was as follows:

"1. To consolidate the existing labour organizations and develop them into organizations of militant struggle against capitalism, to permeate the labour unions and strive to replace the present reactionary leadership by revolutionary leadership.

"2. To participate in the elections and the general political life of the country. Its representatives in the various legislative and administrative institutions will expose the sham democracy of capitalism and help to mobilize the workers for the final struggle against the capitalist state. They will give conscious and public expression to the every-day grievances of the working class in concrete demands upon the capitalist governments and their institutions.

"3. To lead in the fight for the immediate needs of the workers, broaden and deepen their demands, organize and develop out of their every-day struggle a force for the abolition of capitalism.

"4. To work for the overthrow of capitalism and capitalist dictatorship by the conquest of political power, the establishment of the working class dictatorship and of the workers' republic."

For the purposes of organization the Communist Party divided the Dominion into nine districts, as follows: District No. 1, Nova Scotia; No. 2, Quebec; No. 3, Southern Ontario; No. 4, North Bay, Timmins, etc.; No. 5, Sudbury, Soo; No. 6, Port Arthur, Fort William, Kenora; No. 7, Manitoba and Saskatchewan; No. 8, Alberta; No. 9, British Columbia. *The Worker,* published weekly in Toronto, which was the headquarters of the Communist Party, was the official organ, but following the trial in Toronto it was announced that the paper had been dropped as the official organ of the Communist Party and was being published by the Worker Publishing Association.

Rates and Index Numbers of Hospital Charges. A Report issued by the Dominion Bureau of Statistics, Oct. 31, 1931, covering 194 hospitals, representative of the nine Provinces, indicated that the rates charged in 1930 were 6.9 per cent. above 1926 levels and 93.7 per cent. higher than in 1913, and less than ½ of 1 per cent. higher than 1929 rates. A Dominion average based on the average cost to the hospital of maintaining a patient one day amounted to $3.63 in 1930 as compared with $3.62 in 1929 and $1.68 in 1913.

The following table shows by Provinces, average hospital charges in 1930. The last row of figures refers to the cost of maintenance per patient per day:

	1930				
	Public Ward	Semi-Private	Private	Operating Room	Cost of Patient Per Day
P.E.I.	$1.50	$2.62	$3.87	$7.50	$3.34
Nova Scotia	1.79	3.20	4.11	7.43	3.41
New Brunswick	2.54	2.64	3.81	7.34	3.17
Quebec	2.12	3.20	6.44	9.69	3.92
Ontario	1.75	2.20	4.75	7.58	3.81
Manitoba	1.77	3.34	5.99	9.59	3.33
Saskatchewan	2.45	3.38	4.96	7.88	3.24
Alberta	2.31	3.45	4.59	7.04	3.13
British Columbia	2.52	3.39	5.05	8.57	3.47
Dominion Average	2.04	2.89	5.24	8.36	3.63

The following table, by Provinces, of index numbers of hospital charges in 1930, is based on average costs in 1913 and 1926:

	1930									
	Public Ward		Semi-Private		Private		Operating Room		Cost Maintenance Patient Per Day	
	(*a*)	(*b*)	(*a*)	(*b*)	(*a*)	(*b*)	(*a*)	(*b*)	(*a*)	(*b*)
P.E.I.	.....	100.0	.....	105.0	.....	103.3	.....	100.0	.....	127.9
Nova Scotia	196.8	116.3	169.9	101.5	185.3	107.4	139.0	100.6	220.1	118.9
New Brunswick	.....	103.2	187.7	125.1	224.2	103.9	168.7	101.2	229.3	98.0
Quebec	256.1	115.0	183.1	102.6	238.3	104.6	159.9	104.7	211.4	102.9
Ontario	174.9	116.6	211.4	102.6	186.7	102.5	167.9	101.4	251.9	108.3
Manitoba	177.1	101.2	158.8	100.0	149.7	99.4	146.9	100.1	152.4	109.5
Saskatchewan	190.4	100.3	199.3	99.8	162.8	107.5	140.3	102.5	149.3	101.6
Alberta	195.4	102.0	160.0	100.3	155.8	101.6	128.0	100.8	150.2	86.8
British Columbia	225.2	110.4	185.7	99.6	152.8	99.4	151.0	99.9	153.1	97.6
Dominion Index	204.4	111.6	190.4	102.8	194.9	103.4	160.1	102.2	211.2	104.6

(*a*) 1913 equals 100. (*b*) 1926 equals 100.

IMMIGRATION AND COLONIZATION

A Decrease of 62,471 Immigrants for the year 1931-32

Since August, 1930, when certain restrictions were imposed by the Canadian Government by Order-in-Council in order to meet the change in economic conditions, immigration to Canada had been greatly curtailed. As many immigrants were in process of moving when the new regulation was made the full effect of the changes was not recorded in the figures for the fiscal year ended Mar. 31, 1931, which, however, showed a decrease for the year of 75,065 compared to the preceding period. By the end of the fiscal year ended Mar. 31, 1932, the full force of the new Government policy was evident in the published figures of the Department of Immigration and Colonization; the total showing a still further drop in the number of newcomers to the Dominion. Compared to the year 1930-31 there was a decrease of 62,471 immigrants. The total number entering Canada for the year 1931-32 was 25,752, compared to 88,223 in 1930-31 and 163,288 in 1929-30. There were still certain joint schemes between the Governments of the United Kingdom and Canada which had some time to run before the termination of their contracts but, even under these, immigration had not been encouraged to any extent and those in charge of the schemes were devoting their attention to the immigrants who were already placed and who were in need of direction under the changing conditions in the country. Organizations such as the two great Canadian railways, hitherto operating so zealously in the interests of immigration had, in 1931-32, directed their efforts to land settlement in co-operation with the Department of Immigration and Colonization.

According to Departmental figures for the year ended Mar. 31, 1932, of the total (25,752) immigrants who entered Canada, by origin, there were 7,088 British (made up of 4,275 English; 791 Irish; 1,843 Scotch; and 179 Welsh). Of the balance, 14,297 came from the United States; 1,212 from Northern European countries; and 3,155 from other countries. Of the Northern Europeans, 727 were German; 92, Finnish; 87, French; 79, Swedish; 70, Norwegian; 53, Danish; 47, Belgian; 33, Dutch; and 24, Swiss. Of the total immigration, 6,664 were adult males; 9,133 adult females; and 9,955 children under eighteen years of age. According to occupation, the 1932 total was made up as follows: farming class—1,839 males, 798 females and 1,800 children; labouring—632 males, 149 females and 246 children; mechanics—1,228 males, 444 females and 287 children; trading—1,477 males, 649 females and 338 children; mining—61 males, 10 females and 10 children; female domestic servants, 18

years of age and over—1,272, and under 18 years, 211; and other classes—1,427 males, 5,811 females and 7,063 children.

During the year ended Mar. 31, 1932, 19,411 Canadians who had emigrated to the United States returned. Of this number, 17,691 were Canadian-born citizens; 1,069 British subjects with Canadian domicile; and 651 naturalized Canadians with domicile. Of the 14,297 United States citizens emigrating to Canada during the fiscal year ended Mar. 31, 1932, 3,204 came from the State of Michigan; 2,182, from New York; 1,456, from Massachusetts; 664, from California; 657, from Wasington; 639, from Illinois; 560, from Ohio; 486, from Maine; 400, from Pennsylvania; 354, from Minnesota; 325, from New Hampshire; and the balance from the several remaining States.

Under the Empire Settlement Act the number proceeding from overseas to Canada was 4,806, including 3,578 persons who proceeded as full-fare paying passengers under the £10 rate which came into operation on Jan. 1, 1929, and was terminated, owing to adverse economic conditions, on Sept. 30, 1931. The figures for 1930 were 25,734, including 17,589 who proceeded as full-fare-paying passengers under the £10 rate. The Oversea Settlement Committee Report for the fiscal year ended Mar. 31, 1932, stated that of the 3,346 United Kingdom families who participated in the United Kingdom's 3,000 Families Scheme with Canada during the period from 1925 to March, 1932, 1,270 families had withdrawn from the Scheme. Of these, 649 withdrew during their probationary period, and 621 had either failed or abandoned their farms after having been fully provided with advances. Advances, under the Scheme, amounting to $3,821,618, had been paid by the United Kingdom Government during the period, 1925 to 1932. Repayments, which were spread over a period of 25 years, and which did not commence until the settler had reaped his second harvest, amounted, on Mar. 31, 1932, to $574,756. Losses totalling $304,856 had been incurred in connection with 739 of the families and further losses were anticipated on 364 of the farms. The average capital debt in connection with the Scheme was in 1932, $5,430. Under the 1927 New Brunswick Family Settlement Scheme between the United Kingdom and Canada with the Province, for the settlement of 500 families by the year 1933, 349 families had been settled up to July 31, 1931, 49 of whom had since withdrawn. Recruiting for the Scheme was in abeyance during 1931. Under the 1925 Clandonald Colony Scheme between the Canadian Pacific Railway Company and the Scottish Immigrant Aid Society, 120 holdings had been established up to 1932 and, notwithstanding the adverse conditions during 1930 and 1931, practically all the settlers were still on their holdings in 1932, but repayments were much in arrears. They were being carefully supervised by officials of the two organizations. The 1928 Scheme between the Canadian Pacific Railway and Hudson's Bay Company, in which 221 families participated, was in somewhat the same

condition as the Clandonald Colony Scheme, repayments, owing to existing economic conditions, being much in arrears, but 190 farms were still active at Mar. 31, 1932.

Deportations for the fiscal year ended Mar. 31, 1932, numbered 7,024 as follows. British, 4,248 (made up of English, 2,217; Northern Irish, 404; Irish Free State, 146; Scotch, 1,162; Welsh, 276; Australian, 12; British West Indies, 7; Newfoundland, 18; New Zealand, 1; and South African, 5); Czecho Slovak, 311; Dutch, 75; Finnish, 256; German, 222; Hungarian, 179; Polish, 500; Roumanian, 150; Danish, 142; Norwegian, 111; Swiss, 46. The balance comprised immigrants from other countries, a proportionate number to each. The causes of deportations were numerous. 4,507 were described as having become public charges; 930 had been convicted of a criminal offence; 75 had come under the Opium and Narcotic Drug Act; 285 were found to be insane; 6 were afflicted with epilepsy; 12 were feeble-minded; 27 were otherwise mentally afflicted; 367, for medical causes including physically defective; 230 had been found guilty of misrepresentation and stealth; 13 had been previously deported; 27, for other causes; and 545 for accompanying.

Relief Settlement. When the Canadian Government, through its Department of Immigration and Colonization under the direction of Hon. W. A. Gordon, decided to concentrate its efforts upon the settlement on the farm of families then residing in the Canadian cities, it set in motion a series of events that promised to have far-reaching effects. The co-operation of the Colonization Departments of the Canadian National Railways and the Canadian Pacific Railway was invited and heartily given, and for the first time the three chief colonization agencies in Canada applied themselves to the settlement of Canadians on the land instead of the encouragement of immigration from outside sources. The land-ward movement assumed proportions greater, possibly, than even those immediately concerned with it had anticipated. From October, 1930, to Mar. 31, 1932, the three organizations were instrumental in placing 7,046 families formerly resident in Canadian cities and other centres of population, on farms, and in placing 14,568 formerly unemployed men in farm employment. On the basis of five members to a family this represented a movement to the land of 49,798 persons—a substantial contribution to the relief of unemployment and the stabilization of conditions. Family settlement under this movement was confined to those who had sufficient capital to establish themselves on the land. No financial assistance was extended. It soon became evident, however, that there were many families eager for an opportunity to gain a subsistence on the land who could not qualify for such settlement because of lack of capital. As a contribution toward relieving this situation the Dominion Government in May, 1932, decided to bear a portion of the cost of settlement on the land of selected families who could qualify for such assistance

in all localities where the province and municipality concerned were prepared to make a similar contribution, and an agreement to that effect was offered to each of the Provincial Governments. The stipulations of this agreement may be summarized as follows:—

The Dominion Government would contribute one-third of an amount not to exceed $600 per family for the purpose of providing a measure of self-sustained relief, to families who would otherwise be in receipt of direct relief, by placing such families on the land, the remaining two-thirds of the expenditure to be contributed by the Province and the Municipality concerned as might be decided between them. The Dominion Government contribution was to be regarded as a non-recoverable expenditure. The total expenditure on behalf of any one family during the first year was not to exceed $500 for all purposes inclusive of subsistence and establishment, a minimum amount of $100 being withheld to provide subsistence if necessary during the second year. No part of the above-mentioned expenditure was to be used for the purpose of acquiring or renting land.

It was stipulated that all families who might be assisted under the terms of this agreement should be residents of Canada and should be selected from those who would otherwise be in receipt of direct relief, the selection of families to be made without discrimination by reason of political affiliation, race, or religious views.

The Province was to be responsible for administration of relief settlement, including the location and inspection of suitable farms, and the selection of families who should be physically fit and qualified in other respects. Expenses of administration were to be paid by the Province, and no part of the cost of administration and supervision was to be deducted from the maximum amount of $600 set aside for subsistence and settlement of each family. Disbursements of funds to the families assisted were to be made by the Province, which was required to set up an Advisory Committee including representatives of the Dominion Land Settlement Branch, the Colonization Branch of the Canadian Pacific Railway, and the Colonization Branch of the Canadian National Railways. Provision was made for the furnishing, certification, and verification of accounts. The Dominion Government at that time indicated the amount it had set aside for expenditure under this scheme in each Province, such amount being based upon population of the Province.

By July, 1932, 7 Provinces—New Brunswick, Nova Scotia, Quebec, Ontario, Manitoba, Saskatchewan and Alberta—had signed the agreement and had begun active relief settlement work under it, and, on Sept. 10, British Columbia also signed. In Nova Scotia, 117 applications had been approved; in Ontario, 87 families had been selected. Manitoba reported 126 families actually located on land; Saskatchewan, 296 families. Alberta, had approved 29 families. Quebec had signed the agreement on July 16, and was proceeding with organization and the selection of families.

Settlement in 1932 represented only the beginning of the movement as the Agreement covered a period of two years which would not expire until Mar. 31, 1934, and only those families whose positions were expected to be immediately improved by settlement on the land were being placed during 1932. Therefore, while some immediate relief of unemployment conditions might be expected, the full effectiveness of the scheme would not be in evidence until, at least, 1933.

The Plan was not being put forward as a complete solution of unemployment, but it was being undertaken as a constructive measure,

to assist the unemployed to attain self-independence on the farm. It was presenting a challenge to the initiative and energy of the unemployed as well as an opportunity to achieve self-support. It was confidently expected that the scheme would be so administered by the Provinces, upon whom that responsibility devolved, that a substantial measure of permanent land settlement would ensue.

Soldier Settlement Board. Owing to the changing character of settlement in Canada during the twelve years' operation of the Soldier Settlement Act of 1919 and its Amendments, soldier land settlement and general land settlement of the Soldier Settlement Department was gradually becoming complementary; this was evident from the 1931 Report which showed that during the twelve years' operation, 24,491 soldier settlers had been established on land with loans. At Dec. 31, 1931, there were 11,612 soldier settlers; 5,184 civilian settlers; 2,383 British family settlers; 226 civilian settlers in reverted British family farms; and 3,409 farms were for resale. 2,273 loans had been repaid in full in cash. As the purely soldier settlement aspect diminished, the general land settlement feature, namely, the re-settlement of reverted lands through sale to civilian farmers and British family settlers increased. At Dec. 31, 1931, there were 19,405 active settlers; 3,409 parcels of land on hand for resale, a total of 22,814 farms under administration representing a net investment of $63,383,228. The Land Settlement Branch had adopted a policy of leniency toward those settlers who were making an honest effort to operate their farms to the best advantage and who, because of crop failure or other adversity beyond their control, were unable to meet their obligations. Gross advances for loans, including interest on account of Soldier Settlement and British Family Settlement, totalled $145,220,319. In connection with the reduction in gross loans to the net investment of $63,383,228, it was stated in the 1931 Report that $49,270,197 had been paid to the Treasury in principal and interest; that $21,721,976 had been written off settlers' accounts through successive remedial enactments; and that $10,844,918 had been deducted on account of losses sustained to date in the resale of land and chattels. The amount ($49,270,197), paid into the Treasury included repayment of principal and interest by settlers and moneys received from all other sources including cash receipts from resale of land and chattels. The net investment in Soldier Settlement was, at Dec. 31, 1931, $49,505,057.

This Branch of the Department of Immigration, actively co-operated in the Department's policy since the Autumn of 1930, of "colonization within Canada." Land settlement and farm placement was a major item in the general land settlement activities during 1931. During the period, Oct. 1, 1930, to Dec. 31, 1931, the Branch placed 5,676 single men in farm work and settled 978 families on vacant farms. On the basis of 5 persons to a family this meant a return to rural life of 10,566 people. These figures do not include settlement and placement activities of the Provinces and Railways.

Activities of the C.P.R. and C.N.R. The Canadian Pacific Railway continued in close co-operation with the Department of Immigration in so far as "Back-to-the-Land" Schemes were concerned. The Company's Immigration and Colonization Department, built up and maintained over a long period, owing to existing conditions, functioned, during 1931, on a considerably reduced basis. This was particularly the case with regard to their European colonization organization. The monthly review, *Agricultural and Industrial Progress in Canada* had still its wide circulation in Canada and in other countries; the Bureau of Information at Montreal and its branches in the United States and Great Britain were still in operation; the distribution of motion pictures on Canadian agricultural and industrial subjects and the exhibitions illustrative of Canada's natural resources and economic life, had both been continued during 1931. The Canadian Colonization Association (Winnipeg), a subsidiary of the Department, specializing in the settlement of fully or partially improved privately-owned lands and with its head office

in Winnipeg, placed 616 families on 100,941 acres during 1931; 569 of the families had not been previously settled on land and 47 were families who had been placed on other farms by the Association and who were transferred during the year. Families settled during 1931 showed an increase over 1930 of 16.36 per cent. From Jan. 1, 1925, to Dec. 31, 1931, the Association had settled 4,676 families on 1,037,875 acres. In addition, 1,051 families were temporarily placed during the years, 1928-29-30. The associated organizations, the Colonization Finance Corporation of Canada, Limited, specializing in farm management services in Western Canada, and the British Reunion Association, another subsidiary of the Railway and which was formed in 1929 to assist relatives in the British Isles to rejoin their kin in Canada, continued their useful work during 1931.

The total number of families settled during 1931 under the auspices of the Canadian National Railways was 2,894, involving 403,754 acres of land. In addition, 2,983 single men were placed in farm employment. 789 French-Canadian families, comprising 3,420 individuals from the United States, with a capital of $1,234,660, were established in Canada under the direction of the Railway. The C.N.R. office at St. Paul, Minnesota, recruited and forwarded 616 settlers to Canada, and of this number, 116 families took up 33,415 acres of land tributary to C.N.R. lines for a total consideration of $135,449. Community Progress Competitions, for the improvement of general conditions in communities of non-Anglo Saxon origin, were continued in the three Prairie Provinces with a total entry of 62 communities. These competitions resulted in marked interest by the people of the district in the improvement of their community. During 1931, agricultural trains were operated by the Canadian National Railways in co-operation with the Provinces in the interest of: in British Columbia, general agricultural instruction; in Saskatchewan, seed cleaning and dairying; in Ontario, soils and crops; and in Quebec, soil improvement.

Doukhobors in Canada. Early in August, 1931, publicity was given in the Canadian Press to the reported statement in Winnipeg of Peter Verigin, leader of the Doukhobors in Canada, that preparations were being made to bring to Canada in the "near future" between 20,000 and 30,000 members of the sect from Russia, and that they would be settled throughout the Western Provinces. Vigorous protests by these Provinces to the Federal Department of Immigration and Colonization against the suggested influx elicited the statement that the Department had not been approached in the matter by Peter Verigin or any other individual; and attention was called to the new immigration regulations, in force since August, 1930, whereby newcomers to Canada from Continental Europe were restricted to two classes: wives and unmarried children under eighteen years of age of heads of families already settled in Canada, and agriculturalists with sufficient capital to farm in Canada. "Under Soviet regulations," it was declared, "Doukhobors could not bring any amount of capital out of Russia and it, therefore, follows that they cannot qualify." It was also explained that, in view of the expressed wish of the Western Provinces that immigration be not permitted pending the absorption of immigrants and others already in the country, the Doukhobors would not be allowed in Canada. (*The Mail and Empire*, Toronto, Aug. 6, 1931). Peter Verigin's reply to the Ottawa pronouncement was a statement to *The Manitoba Free Press* in which he declared that the Doukhobors awaiting entry to Canada would not become public charges in the event of their admittance; that land had been purchased for them throughout Alberta, Saskatchewan and British Columbia; that nearly a million dollars worth of lumber for houses had been purchased; that it was the intention of the Canadian Community to stock the new farms; and that, under the circumstances, the Russian Doukhobors had the right of entry to Canada but that, nevertheless, if the Canadian Government did not wish to receive them he would send them elsewhere.

Early in 1932 Peter Verigin again held public attention; this time in the Police Court at Yorkton, Saskatchewan, as witness at the preliminary hearing

of one Chutskoff, charged with perjury on the information and complaint of the Doukhobor leader. Verigin's own arrest, on a charge of having tampered with a witness in the above case, followed. Remanded for trial at the preliminary hearing of his case he was released on bail but was shortly after arrested at his home in Verigin on a charge of perjury. This was on the eve (Mar. 12) of his departure for British Columbia prior to a visit to Mexico in the interests, he stated, of the settlement of several thousands of his people from Russia, Germany and Bulgaria. He was remanded for trial on Mar. 30, on three charges of perjury and was released on bail set at $12,000. For these three charges and the one of tampering with a witness, he was to be tried at the Court of King's Bench at Yorkton, in May. In the meantime he left for British Columbia (Apr. 19) to visit the Doukhobor colony at Brilliant during the "peaceful eviction" of members of the Sons of Freedom element by officials of the community. This unruly group was being sent to Krestova on the Salmon River, overlooking Crescent Valley where community houses and land were allotted for their use. The head of the Doukhobors was said to have ordered their eviction for alleged non-payment of dues and general insubordination. An incident in connection with the leader's visit to British Columbia was the finding of a home-made bomb against the outside of the house in Glade (B.C.) usually occupied by him when in that district; at the time, however, he was motoring from the Prairies on his way to Nelson. During the "peaceful eviction" at Brilliant, several pitched battles ensued (Apr. 27) between the members of the Sons of Freedom and of the orthodox Doukhobor Community. A series of attacks on property later occurred in the neighbourhood settlements, for which members of the "Sons" were blamed. Attempts were made to burn schools, an irrigation pipe was shattered by a bomb, railways were tampered with and a switch was blown up by a bomb just after a train had passed over it. (*The Leader-Post,* May 2, 1932, Canadian Press Despatch). These outrages were followed by a nude parade of 200 members of the Sons and Daughters of Freedom at Thrums, 16 miles from Nelson, B.C., 117 of whom were taken prisoners. Similar parades followed and soon the jail at Nelson was over-taxed and improvised accommodation was prepared for the nudists. The Provincial Government was in constant communication with the Minister of Justice at Ottawa. The Attorney-General of British Columbia (Hon. R. H. Pooley, K.C.), speaking of the latest Doukhobor outbreaks declared that the Community would be made to understand that laws must be obeyed: "The Federal and Provincial Governments have got together on the whole Doukhobor problem and propose a major operation to settle it finally. From now on the Doukhobors of British Columbia must obey our laws exactly like other people. We intend now to have a complete showdown, with the fullest co-operation between the two Governments." (*The Vancouver Province,* May 2, 1932). On the same day, Hon. J. T. M. Anderson, Prime Minister of Saskatchewan, on a visit to British Columbia, referred, during an address before the Vancouver Canadian Club, to the unrest among the Doukhobors. "We have many fine people among the Doukhobors—sons of some of these people are among our leaders. But so far as Peter Verigin is concerned I can say that I blame him and hold him responsible for much of the present unrest among these people. His trial for perjury comes on in our Province within a few days and I can say no more. His supporters have tried to make out that he is a victim of Government prosecution." Mr. Anderson expressed his intention of conferring with the Prime Minister of British Columbia on the Doukhobor question. He emphasized his belief that prompt and severe measures must be taken to discipline foreigners who defied the laws of Canada and the traditions of its people. (*The Vancouver Province,* May 2, 1932).

The Doukhobor cases were tried at Nelson on May 5 and 117 members of the Sons of Freedom sect were found guilty of parading while nude at Thrums, May 1, and sentenced to three years each in the penitentiary. All pleaded guilty. These sentences were the signal for further similar parades and on Sunday, May 8, 209 men, women and children were arrested for the same offence at Thrums. Jail accommodation for the nudists became a problem to the Provincial authorities and the prospective cost of maintaining

the offenders was becoming a formidable one as their numbers increased. At the trials of the second group, 77 men were found guilty and sentenced on May 12 to three years each in the penitentiary and on the following day, 52 women each received a similar sentence, leaving 39 men and 48 women yet to be tried. On May 15 another nude parade at Thrums swelled the numbers arrested to 511, those already in jail having started a hunger strike in protest against their imprisonment. Following a fourth nude parade on Sunday (May 22), arrested men, women and children brought the number in custody up to 745. It was understood that these demonstrations had started as a form of protest against the rule of Peter Verigin and the 13 directors in charge of the affairs of the Brotherhood; against their system of collecting dues from each member of the community and their punishing for non-payment by expulsion from the colony. It was announced from Ottawa on June 15 that Pier's Island, forty miles from Victoria, B.C., in Haro Straits, would house the Doukhobor men and women. D'Arcy Island, in distance nearer to Victoria, would be used in the event of over-crowding on Pier's Island. Erection of such buildings and other accommodation as might be required was to start almost immediately on the selected site. The children of the incarcerated Doukhobors were to be in charge of the Province of British Columbia; it was understood that they would be placed in public and semi-public institutions during their parents' internment.

Peter Verigin had, meanwhile, left British Columbia and returned to Saskatchewan to face, on May 3, four charges of perjury and one of unlawful interference with a witness. Found guilty on one charge of perjury he was sentenced on May 5 to three years in the penitentiary. With regard to the other three charges of perjury: the first and second were similarly worded charges on the same count and were dropped; the third charge was dropped owing to the disappearance of a map used for evidence, and it was on the fourth charge that the leader of the Doukhobors was convicted. The charge of interference had not been tried at the time but was expected to come up for hearing at a later date. In delivering sentence on Verigin, Mr. Justice Donald MacLean stated that the evidence fully justified the verdict; that the prisoner's conduct had been deliberate throughout the period from Dec. 8, when he laid the charge against Chutskoff, hoping for his conviction, until Jan. 12, when he acknowledged to the officer investigating the case that he (Verigin) was concocting a plan to have Chutskoff found guilty. "You are an intelligent man," continued Mr. Justice MacLean, " . . . you attended two universities in Russia. You are the leader of a large group of people here. You knew quite well what you were doing." (*The Leader-Post*, Regina, May 6). Verigin lost, on May 19, his plea for bail—it was understood that security of $25,000 had been offered—pending his appeal against his conviction for perjury. In a judgment issued on June 11 the Appeal Court of Saskatchewan reduced the Verigin sentence of three years to eighteen months in the Provincial jail at Prince Albert. The sole ground for reduction of the sentence as given by Mr. Justice W. M. Martin was, that it was Peter Verigin's first offence; that he had already suffered severe punishment; and that he was the head of several thousand people who looked to him for guidance and for the financing of their affairs. A despatch from Ottawa (*The Regina Daily Star*) announced that argument had opened in the Supreme Court of Canada on June 28 on the application of the incarcerated Doukhobor leader, for leave to appeal against his conviction.

In the course of the hearing of the application for bail, it had been disclosed by the Vice-President of the Doukhobor organization that Verigin managed alone all business connected with the vast corporation, whose assets were valued at nearly $7,000,000. (*The Leader-Post*, May 20). It was revealed by the study of the constitution of the Doukhobor colonies that supreme power over the 5,000 members scattered throughout Alberta, Saskatchewan and British Columbia rested in the hands of Peter Verigin and the 13 directors of the Christian Community of the Universal Brotherhood Limited of Canada, which had been incorporated as a Dominion corporation in April, 1917, with extra provincial registration in British Columbia, with a capitalization of $1,000,000, $700,000 of which was paid up. The issued shares

were held under the names of Peter Verigin and the directors. "The Colonists enjoy all belongings while members of the Community, but have no right of ownership, having dispossessed themselves of such a right some two years ago at a meeting in Brilliant, B.C. Members leaving or expelled, forfeit their right to property, but may petition the Supreme Council of Community economists which can allot them a share from the Community property. (*The Regina Daily Star,* May 12, 1932). The leader of the Doukhobors had stated during his evidence at the preliminary hearing of the Chutskoff case in January that he had accumulated wealth amounting to, approximately, $700,000. Other facts about the Doukhobor leader that came to light during this earlier trial were: that he was an acknowledged Communist (*The Globe,* Canadian Press Despatch, May 6); that while in Russia he had belonged to an anti-Government group, had been twice condemned to death and had served two years imprisonment; and that he had received, when awaiting execution, $18,000 and a request from the Canadian Doukhobors that he become the successor to his father, "Peter Lordly," the patriarch and founder of the Canadian Doukhobor Community, who had been killed on Nov. 18, 1924, by a time bomb in a railway train *en route* to Grand Forks, B.C. There had been some speculation at the time as to the whereabouts of "Peter's Peter Lordly" and it was September, 1927, before the new chieftain arrived in Canada to assume control of the Doukhobor groups, having obtained his release from prison on condition that he left Russia for Canada.

Communistic Activities. Several years' surveillance of Communistic activities in Canada by the Department of Justice, Ottawa, culminated, on Aug. 11, 1931, in raids on Communist headquarters in Toronto and elsewhere and in arrests on that day and subsequently by members of the Provincial and the Royal Canadian Mounted Police forces, of alleged members of the Communist Party of Canada. Those taken into custody were: Timothy Buck, Political Secretary of the Party and acknowledged leader of the movement in Canada; John Boychuk, organizer of Ukrainians in Canada for the "Red" movement; Thomas A. Ewen, Chief Secretary of the Workers' Unity League; Malcolm L. Bruce, ex-Editor of *The Worker;* Samuel Carr, *alias* Cohen, Chief Assistant to Timothy Buck, and at the time on a speaking tour in the industrial and mining centres of Western Canada, arrested with Bruce in Vancouver; Amos T. Hill, of Timmins, Ont., Chief Communist worker among the Finns of Canada and former Editor of *Vapaus,* a Finnish radical publication printed at Sudbury, Ont.; Thomas Cacic, general organizer of the Czechoslovakian branch of the Communists in Canada; and two others, Mathew Popovitch and Mike Golinsky. The Attorney-General of Ontario, Hon. W. H. Price, under whose direction the raids and arrests were made, acting under Section 98 of the Criminal Code of Canada, in a statement to the Press at the time declared that the Royal Canadian Mounted Police, under the jurisdiction of the Dominion Department of Justice, had been, for years, quietly gathering information about Communistic activities; that discussion had taken place between the Dominion Minister of Justice and himself with regard to these activities in the Province; and that during the raids documents and literature had been seized which were expected to give important "leads" in tracing down other Communistic sources.

Commenting, editorially, on the Ontario Provincial action against alleged Communists *The Gazette,* Montreal, (Aug. 13) declared: "This Party's avowed policy is to develop militant organizations to struggle to establish class dictatorship and a workers' republic that shall overthrow capitalism . . . Federal and Provincial intervention was needed and it can be directed to the accomplishment of considerable good. Extraordinary efforts are being made by governments to provide for the material needs of people who are in distress through unemployment. What happens to a man's mind in times of depression is just as important as what happens to his body, and therefore it is incumbent upon the authorities to safeguard the individual mind from corruption when it is threatened by the spread of the revolutionary doctrines it is known the Communists are preaching vocally and spreading by propaganda, and with an aggravation that has become bolder and more intense in a belief that

the economic situation to-day affords them better opportunity to prosecute their nefarious work."

Following their arrests the accused men had been arraigned in the Police Court where their cases were remanded for hearing at the Fall Assizes on Nov. 2. On that date owing to the distribution of hand-bills by Communists calling for demonstration against the trial bail was refused but on Nov. 4 it was granted at $15,000 each. The charges faced by the nine men were: (1) with being members of an unlawful association; (2) with acting as members of an unlawful association; and (3) with being parties to a seditious conspiracy. All three charges covered the period 1921-1931. The main witness for the Crown, whose testimony created a sensation, was John Leopold, a German-Canadian, and a staff-Sergeant of the Royal Canadian Mounted Police. As under-cover man for the Royal Canadian Mounted Police, Leopold had been a member of the Communist Party of Canada for seven years, having joined under the name of "J. W. Esselwain" in 1921 in Regina, shortly after the Party had been organized, and, later, he had become Secretary of the Regina branch. In 1929 he had been found out and expelled. As "Esselwain" he had attended the World Congress of the Communistic Internationale at Moscow in 1924. After a ten-day State trial eight of the men, on Nov. 13, were found guilty on all three counts. Seven were sentenced to terms each of five and two years and the eighth received terms of two and one years, all sentences to be concurrent. The seven receiving the major sentences were: Buck, Ewen, Bruce, Hill, Boychuk, Carr (*alias* Cohen) and Popovitch; and the one sentenced to the minor term was Cacic. Mike Golvinski, the ninth man, had been discharged two days before, when the Crown declared that it had not enough evidence to link him up as a member of the Communist Party of Canada. In addition to the sentences, it was stated, all of the Communists, except Malcolm L. Bruce, would be recommended for deportation at the expiration of their imprisonment, and the Crown would seize all property owned by the Communist Party of Canada. Following the trial and conviction all records, committal papers and copies of indictments were forwarded upon request, to the Dominion Minister of Immigration (Hon. Wesley A. Gordon).

Appeals were entered by the eight convicted Communists on Dec. 2, 1931, based on the grounds that there was no evidence to show "that a revolution, if it came about as a result of the teachings of Communism, would be accompanied by force, violence, terrorism or physical injury to persons, or property." On the 9th the convicted men were granted bail of $20,000 each, and on the 14th bonds to the amount of $160,000 were accepted and the men released pending their appeals. Argument in the Court of Appeal of Ontario commenced on Jan. 13, 1932, and was concluded on the 14th, judgment being reserved. More than a month later, the decision of the Court was pronounced: the appeal was unanimously dismissed except as to the third count of the indictment, that of being parties to a seditious conspiracy. The following day the men were removed to the Kingston Penitentiary to commence their sentences.

The Supreme Court Judges who heard the appeal were: Sir William Mulock, Chief Justice; and W. E. Middleton, D. R. Grant, J. F. Orde and C. A. Masten, Justices. In pronouncing judgment Chief Justice Mulock stated that after careful consideration the Court had found the seditious conspiracy count a bad one in law and, therefore, it should not have been included in the indictment; the other two counts were upheld. He declared that much evidence had been scanned with regard to the relationship between the Communist Party of Canada and the Communist International of Russia and there had been found to be ample proof that the Canadian organization was a part of the Moscow body. The Chief Justice in his judgment said: "In 1920 that World Congress met in Moscow and laid down in a document called 'Theses and Statutes,' the principles and purposes of the Communist International; and it is in evidence, uncontradicted and included in the evidence of Timothy Buck, that whatever are the purposes, aims and teachings of the Communist International are automatically those also of the Com-

munist Party of Canada. Therefore, to determine whether the purposes and objects of the Communist Party of Canada were or were not unlawful, reference had to be made to the Theses and Statutes of the Communist International. These were submitted to the Court by the Crown in the form of pamphlets. Their validity is not questioned," and after infinite care and study "we think the Theses and Statutes advocate governmental, economic and other change by force, by violence. The Theses bristle with declarations to that effect."

It was revealed during the appeal that, on Nov. 13, 1931, immediately after the conviction of the eight men, a request for funds to carry on a defence had been sent by the Canadian Labour Defence League, an organization through which the Communist Party of Canada collected money for the defence of its members in Canada, to the International Red Aide in Berlin through which communication was established with the central Communist organization in Moscow. The text of the cable allegedly sent to Berlin was: "Workers, farmers Canada faced with severe growing reaction. Communist Party outlawed, leader jailed to five years, setting precedent for parliamentary countries. Workers of the world must help. Need ten thousand dollars to carry on defence." (*The Evening Telegram,* Toronto, Feb. 19, 1932).

On Feb. 22 a delegation of fourteen, headed by A. E. Smith of Toronto, Secretary of the Canadian Labour Defence League, sought, in an interview with the Minister of Immigration and Labour (Hon. W. A. Gordon), the repeal of Section 98 of the Criminal Code which they claimed interfered with freedom of speech of an assemblage and with organization amongst the unemployed. Mr. Gordon promised consideration of the representation made to him but checked up various statements made by the delegation as "extravagant" in the light of the facts of the matters discussed. The delegation also asked that the Communist Party of Canada be recognized by the Government as a "legal political party;" and they sought the immediate release of the eight Communists recently sentenced at Toronto. (*The Citizen,* Ottawa, Feb. 23, 1932). On the same day the Prime Minister (Rt. Hon. R. B. Bennett) opposed a Bill introduced in the House of Commons by James S. Woodsworth (Lab., Winnipeg) for the repeal of Section 98 of the Criminal Code (See Section: Federal Administration and Politics).

The Attorney-General of Ontario, Hon. W. H. Price, in commenting on the conviction recorded against the Communists, put the situation very clearly when he said: "The opposition to the conviction was based on the erroneous claim that it aimed at free speech. This is incorrect, and it is imperative that Canadians realize this. Such a claim is merely part of the steady propaganda of the Communist Party, designed to gain the support of well-meaning people who feel that free speech has been endangered. Free speech is not in any danger. The advocacy, however, of an armed revolt, civil war, rebellion and street fighting against the established form of government has been dealt a crushing blow." (*The Evening Telegram,* Toronto, Feb. 23, 1932).

In connection with the trial of the Communists, *Pravda,* published in Moscow, according to *The Worker* of Nov. 28, 1931, made the following editorial comment: "The mock trial in Toronto, outlawing the Communist Party, represents a further link in the policy of terror applied by the Canadian bourgeoisie against the revolutionary labour organizations. We have another striking illustration of the transition of bourgeois 'democracy' to methods of open facism without fig leaves in the form of 'consitutional guarantees' and 'legality'. The proletariat of Canada will respond to this attack by rallying more closely to the Communist Party which points to the only road of struggle against capitalist yoke and terrorism."

Some weeks later in the Ontario Legislature Russell Nesbitt (Cons., Toronto) charged that the Communist Party of Canada was conducting three schools and two Summer camps in and about Toronto. Later a statement was made by the Attorney-General to the effect that eight months previously the camps had come under the surveillance of the Department and a complete survey was being made.

Further arrests of alleged Communists took place during and following May Day (1932) demonstrations at different points throughout the country. In Winnipeg, three leaders, Daniel Holmes, Orton Wade and Konrad Cessenger were taken in charge by members of the Royal Canadian Mounted Police force on instructions from the Department of Immigration, Ottawa, acting under Section 14 of the Immigration Act. The subsequent removal of the men to Halifax, N.S., to await the result of an inquiry by a Board which was to report as to whether the cases were deserving of deportation, received much publicity in the Western Press and was the subject of discussion in the House of Commons and in the Manitoba Legislature. J. S. Woodsworth, M.P. (Lab., Winnipeg, N.-C.), speaking on behalf of the Winnipeg men in the House on May 6, quoted from a Winnipeg newspaper to the effect that writs of "Habeas Corpus" had been issued for the production of Holmes and Wade. But since these could not be served outside the Provincial boundaries and since the men had been "spirited" away toward the Atlantic Coast they had been denied the elementary rights of citizens to a fair trial in the place where their alleged offence was committed. The Minister of Justice, Hon. Hugh Guthrie, in reply stated that he was convinced that in taking the action that they did the R.C.M.P. constables had acted within the Immigration law which had been on the Statute books for years. He assured the House that there would be a complete investigation and if any reason was urged before the Board to the effect that the accused persons were unable to get evidence on their behalf, the necessary facilities for so doing would be extended to them. The Minister of Immigration, Hon. W. A. Gordon, declared that the taking of the men direct to Halifax where the Board of Inquiry would hold its sittings was a matter of convenience in the event of shipping if deportation were the outcome. In the Manitoba Legislature, on May 4, John Queen leader of the Independent Labour Group in the House appealed to the Attorney-General of Manitoba (Hon. W. J. Major) to protest against residents of Manitoba being "spirited" out of the Province without any charge being made against them. The Attorney-General expressed his entire lack of knowledge of the case.

Among the alleged Communists, other than the Winnipeg men, who were at Halifax awaiting the hearing of their cases by the Board of Inquiry were Arvo Vaara, Editor of the Finnish daily paper, *Vapaus*, published at Sudbury, and Martin Parker, translator of the paper.

Upon completion of the Inquiry at Halifax, it was announced, on May 13 (1932) that the Board had issued nine orders for deportation and that the nine cases were being appealed. Habeas Corpus action brought on behalf of eight of the men before Mr. Justice Carroll of the Supreme Court of Nova Scotia was dismissed; and this judgment was confirmed later on June 11 by the full bench of the Supreme Court. Counsel for the convicted men on June 17 stated that an appeal on their behalf would be made before the Supreme Court of Canada. (The appeals were heard on Oct. 14, 1932, when decision was reserved).

Speaking editorially (May 10, 1932) on the deportation of undesirable aliens, *The Mail and Empire* stated: "Taking Canada as a whole, Communistic activities have increased considerably during the past year . . . There was recently a meeting in Calgary of the United Front Conference. A new Polish paper of a highly revolutionary character appeared in Winnipeg for the first time on Apr. 30. Everybody has read of the intimidation perpetrated recently in a British Columbia relief camp. Two of the worst trouble-makers recently appeared in the Cape Breton coal fields while others have turned up at Sudbury, Ottawa, Montreal, Port Arthur, Winnipeg, Saskatoon and Calgary . . . These and a great many other agents have the money to move about the country and carry on their mischievous work . . . They are attempting to establish a Communist school at Sechelt, near Vancouver. The plan is to hold Marxian classes . . . In an address at Winnipeg one of them lately told a gathering of unemployed that Sovietism is the only salvation for humanity, so that brotherly love may take the place of Hellish, Damnable Patriotism and Religion."

FINANCE AND INSURANCE

By

Harvey H. Black, M.A.

Canada in the World Financial Crisis

The "minor" depression in Canada in 1930, which was the confident classification of the decline in business during that period, and the contingent "bear" market, gave place to a "major" reaction in 1931. The country — industry, commerce and finance — found itself definitely in the grip of world-wide disintegrating forces with the alarming advent of declining business, reduced prices of commodities, lower profits, increasing unemployment, the passing of dividends on common and preferred stocks, the endangering of bond interest, or, in many instances, defaults, and a universal depreciation in prices of securities, even of the highest grade, with a pressure toward liquidation; all of which obtruded themselves upon the aroused consideration of even the most restricted in vision. The "mal-distribution of gold," "War debts and reparations," "trade barriers," "foreign exchange," the "gold standard," a "sterling *bloc*" became leading topics of daily conversation. Fear, amounting almost to panic, arose in some quarters. The situation, in so far as the buying public was concerned, developed, in many instances, a negative movement. There was nothing of a retaliatory nature toward distributors of merchandise in the attitude, such as had been adopted during the depression of 1920-21, when "a buyers' strike" against excessive prices resulted in the accumulation of huge surpluses of commodities. Rather was it an instinctive feeling of self-preservation engendered by a sense of insecurity and uncertainty as to the duration and scope of the depression, which, in 1931 and on into 1932, showed no signs of losing momentum—a condition indicating that "the turn" might be far off, perhaps, a matter of years.

Until Sunday, Sept. 20, 1931, the date of the decision of the National Government of Great Britain to go "off the gold standard," and the following Monday, when public announcement of their action struck fear into the money centres of the world, Canada's conception of the "depression" had been, mainly, one of an industrial collapse throughout the world. It is true that the most noticeable initial movement had been the crash of the stock markets in October-November, 1929, and that securities—bonds and stocks—had shown, from that date, a persistent downward movement of marked proportions; yet the underlying cause appeared to the average Canadian to be industrial: commodity prices down, consumption reduced, wages lowered, unemployment increased—with less money required

from the banks—lower net profits for corporations and, hence, lower dividends and declines in prices of capital shares. Immediately, however, upon Great Britain's abandonment of the gold standard, the precipitate results all over the world were of a character so much more financial than industrial that an element of uncertainty entered into the Canadian viewpoint and attention became immediately focused upon "Exchange" with its wide ramifications.

Canada's relation to Great Britain and the gold standard was illustrated by events preceding and following the declaration of the National Government. The "coming event" of Great Britain's action first cast its shadow on Canadian exchange on Saturday, Sept. 19. The Canadian dollar, for years held at, or fractionally under, one dollar in New York funds, closed at a discount of 2½ per cent. (97½ cents) on that day. Press dispatches indicated "speculation over the probable cause of the rapid decline of the Canadian dollar in terms of United States currency." On Sunday, the 20th, cable and telephone communications between London and New York; Montreal and Toronto; London and Paris, Berlin, Vienna, Brussels, Stockholm, Rome and every other financial centre, announced that Great Britain had decided upon the suspension of the gold standard and the raising of the Bank of Engand's rate of discount from 4½ per cent. to 6 per cent.

The markets for securities sensed a new threat and braced themselves to face what was probably to prove the greatest wrench to their stability that had developed since the "depression" began. The Governing Committees of the Montreal and Toronto Stock Exchanges, in close consultation with banking interests throughout a Sunday night of deep anxiety, reached a decision to open their respective institutions for trading, but to provide an effective protection against a crash in prices, by ruling that no transactions would be permitted at prices under those registered at the close of the previous week. Thus there were established what were termed "fixed" or "minimum" prices. These were to continue for months and only gradually to be removed—the last (preferred and common stocks of Price Brothers and Company) coming off after the middle of 1932. Short selling also was forbidden. The New York Stock Exchange did not fix minimum prices but refused to permit short selling for a time. The London Stock Exchange was unwilling even to risk opening its doors on Monday, Sept. 21, as on the Saturday before there had been an outbreak of "tumbling prices and heavy selling." It was three days later before London re-opened. Other Continental exchanges were also closed for several days, the French Bourse being the only exception of importance.

No panic, however, resulted. In England the habitual self-control and level-headedness of the people steadied the situation: business continued in an orderly manner; there were no "runs" on the banks, as had been anticipated. Exchange, however, fluctuated violently—the reaction of the outside world to the startling news.

Sterling in New York plunged from Saturday's level of $4.84¾ (down from $4.86) to $3.71, an extreme loss of over $1.13, closing, however, at $4.20. Other foreign exchanges broke badly. Canadian funds fell from an opening discount of 3 per cent. to 6¼ per cent. in New York. Generally speaking, bond markets throughout the world were undermined. On Tuesday Canadian exchange in New York had a further sharp decline to 11 per cent.—the Canadian dollar being quoted at 89 cents. Sterling in terms of New York funds ranged between $4.12 to $4.19. By Friday, Sept. 25, sterling had broken to a new low of $3.50 in New York, and foreign exchange was described as "completely demoralized." Canadian funds rose, however, to a discount of only 8⅞ per cent. dropping to a discount of over 20 per cent., however, before the end of December. The pound sterling had touched $3.25 by that time.

One after another of the European countries followed Great Britain off the gold standard—Norway and Sweden among the first. The Prime Minister of Canada, Rt. Hon. R. B. Bennett, claimed that Canada had remained on the gold standard, adding to this statement the assurance which was to be made amply good in succeeding months in the face of tremendous difficulties, that Canada would fulfil all her "obligations"—a pledge that the Provinces of Canada were also to observe, with the generous help of the Government at Ottawa. On Oct. 20, 1931, definite action was taken through an Order-in-Council prohibiting the export of gold except under Government licence to chartered banks. There were two reasons for this action: one was to prevent trafficking in Canadian bills on the part of speculators, as the bills could be bought at a substantial discount with New York funds and a demand could have been made for payment of these in gold at par at the Office of the Receiver General of Canada. The other reason was the advisability in the interests of Canadian credit to conserve stocks of gold in Canada in order to maintain the regular reserve against Dominion notes and to have a surplus supply to meet Canadian bond interest and principal obligations coming due in New York. *The Times*, London, headed its dispatch covering this action with the caption, "Canada Off Gold."

Fluctuations in Canadian Exchange. The movement of Canadian exchange during 1931, and for the first half of 1932, at times closely resembled the extreme fluctuations registered during the earlier depression period of 1920-21, when most world currencies were influenced by the absence of a general standard. It was when Great Britain abandoned the gold standard, however, and Canadian exchange rushed down in sympathy that the situation became one of absorbing day-to-day interest in Canadian business and financial circles. In a review of the movement of Canadian exchange during 1931, the Dominion Bureau of Statistics declared that "the Canadian dollar was subject to pressure throughout the greater part of 1931. The New York gold export point was passed in January and June, while in all months subsequent, the dollar was steadily below this level. During November and December discounts on the Canadian dollar in New York were very high, running commonly in the neighbourhood of 20 per cent. As the

year closed Canadian funds were at a premium in terms of the pound sterling, the Scandinavian *krone,* the Argentine *peso,* the Brazilian *milreis,* the Indian *rupee* and the Hongkong dollar. They were at a discount in terms of the United States dollar, the French and Swiss *franc,* the German *Reichsmark,* the Italian *lira* and the Dutch *guilder.* According to figures supplied by the Bank of Montreal, sterling exchange at Montreal showed an average for January (1931) of $4.8627, declining to $4.8508 in March, rising to $4.8763 for June, and down to $4.8670 for July and to $4.8686 for August. The sharp decline in the latter part of September brought the average down to $4.6928 for that month, and there were further declines for the balance of the year to a low average of $4.0923 for December. New York funds in Montreal showed a slight premium for January, but rose to an average premium of slightly over 4 per cent. for the dollar in September ($1.043). There was a sharp advance to a premium of over 12 per cent. in October and November and to one of 21 per cent. on the average for December. The discount of the Canadian dollar in New York moved relatively, of course, to these levels, the average for September being 95.9 cents; for October, 88.9 cents; for November, 89.1 cents; and 82.6 cents for December. The following table shows the averages of sterling exchange at Montreal in terms of Canadian funds for each month of 1931, and the first half of 1932, sterling exchange representing the value of £1 in Canadian dollars, and New York funds on the basis of $1 of Canadian funds:

1931	Jan.	Feb.	Mar.	Apr.	May	June
N.Y. funds, Montreal	$1.002	$1.000	$1.000	$1.000	$1.001	$1.003
Sterling, Montreal	4.863	4.858	4.851	4.860	4.865	4.876
1931	**July**	**Aug.**	**Sep.**	**Oct.**	**Nov.**	**Dec.**
N.Y. funds, Montreal	$1.003	$1.003	$1.043	$1.124	$1.123	$1.210
Sterling, Montreal	4.867	4.869	4.693	4.382	4.191	4.092
1932	**Jan.**	**Feb.**	**Mar.**	**Apr.**	**May**	**June**
N.Y. funds, Montreal	$1.174	$1.145	$1.118	$1.112	$1.131	$1.153
Sterling, Montreal	4.028	3.959	4.064	4.173	4.157	4.205

Phases of a Depreciated Dollar. Other factors of the new situation that developed may be cited briefly. On Nov. 12, 1931, a statement was issued by the Finance Department (Ottawa), pointing out that 76 per cent. of the funded debt of the Dominion of Canada was payable in Canada, 11 per cent. payable in New York, and 13 per cent. payable in London. Between that date and the end of 1931 the Dominion had approximately $4,000,000 to pay in New York, and £790,000 in London. On the basis of the current rates of exchange the New York payment would entail $450,000 additional for New York funds, while, as the pound sterling was at a discount in relation to Canadian funds, there would be a saving of $600,000 on English payments—a net saving of $150,000. On Dec. 22, 1931, J. A. McLeod, as President of the Canadian Bankers' Association, issued a statement declaring that the bankers had met the Prime Minister at Ottawa to discuss the adverse exchange situation, and to devise means of lessening, so far as possible, the prevailing high rates. As a result, "the conclusion was that immediate steps should be taken, through the banks, brokers, trust companies and investment houses, to control, in so far as they might be able, the purchase abroad of securities by residents of Canada." This applied to bonds, stocks, debentures and other securities. For a time it checked the buying of bonds and stocks in London and New York. Gradually control was lightened, and on Jan. 17, 1932, Mr. McLeod issued another statement indicating that the control of purchase abroad of securities by residents of Canada had had "a remedial effect," and that restriction on the sale of foreign exchange by the banks would be relaxed. It was added, however, that the banks would still, wherever possible, "discourage purchase of securities held abroad." Official recognition of the heavy premium on New York funds in terms of the Canadian dollar was given in an announcement that, beginning Jan. 4 (1932), post offices would pay in Canadian currency to receivers of postal orders from the United States the approximate value of United States money on the day the orders were paid. The initial allowance was 18 per cent.

The heavy discount in Canadian exchange had an immediate effect on Canadian bond prices in Canada and New York. There had begun a heavy selling movement of Canadian securities by United States holders—individuals and institutions, including banks—immediately prior to the abandonment of the gold standard by Great Britain. Before the banking crisis developed in Europe and before conditions in South America became acute, there had been sharp declines in foreign bonds held in the United States, and some German, South American and other outside "dollar" bonds that had been purchased in the United States fell to 20 per cent., and even 15 per cent., or less, of par value. It was, to a great extent, the sale of Canadian securities in Canada by "New York" the day or two before Sept. 21 (1931) that drove down Canadian exchange on the previous Saturday to 97½. From that time not only listed Canadian bonds, but domestic bonds, began a downward movement in the United States—induced by highly unfavourable economic conditions that developed there late in 1931, and continued during most of the first half of 1932—and that was not checked until early in June. Enforced liquidation of securities in both countries sent down prices of even the highest grade Government bonds. Canadian bonds in Canada were severely depressed as liquidation of securities continued and a lack of confidence failed to provide support in the market. The following instances will illustrate the tendency to decline in Canadian industrial bonds: Abitibi 5's of 1953, from 68 to 33; Arnold Bros. 6's of 1947, from 78 to 54; Brandram Henderson 6's of 1939, from 90 to 69; Canada Steamship Lines 6's of 1941, from 56 to 28; Canadian Consolidated Rubber 6's of 1946, from 99 to 65; Dominion Tar & Chemical 6's of 1949, from 99 to 74; Famous Players 6's of 1948, from 95 to 63; Great Lakes Paper 6's of 1950, from 64 to 17; Mercury Mills 5½'s of 1953, from 74 to 45; Western Grain 6's of 1949, from 75 to 51; Gatineau Power 5's of 1956, from 91 to 76; and so on.

Some declines in Canadian bonds in the New York markets, from the "highs" of 1932 to the "lows" were as follows: Dominion of Canada 4's, from 85½ to 71; 5's, from 100 to 87; Canadian National Railways 4½'s, from 88⅝ to 75; and 5's, from 94 to 80; C.P.R. 4 per cent. debentures, from 74 to 47⅝, and 5's, from 90½ to 68; Abitibi 5's, from 41 to 14¼; Gatineau Power "A" 6's of 1941, from 70 to 37¼; and "B" 6's of 1941, from 68 to 37; Manitoba Power 5½'s, from 67½ to 37½; Montreal "Power" 5's of 1970, from 94 to 81½; Shawinigan 4½'s, from 76 to 52½, and 5's of 1970, from 86 to 59¾. During the decline in bond prices in the United States between the Autumn of 1931 and June 1, 1932 (a similar condition prevailed in Canada), the average price of 20 corporation bonds dropped from the 1931 "high" of 93.8 to a "low" of 53.3, or 43 per cent,; a list of 40 railroad bonds fell from 95.3 to 47.7, a drop of 50 per cent., and 40 public utility bonds fell from 96.8, the 1931 "high," to 66.7 on June 1, 1932—or 31.2 per cent.

Elsewhere there are given in detail illustrations of the downward movements in business in Canada—with the total volume of trade in 1931 cut in two, as compared with 1929, and still further cut in 1932; declines in railway earnings, even for the first half of 1932, of from 20 per cent. to 40 per cent., as compared with 1931; commercial loans of banks down almost $470,000,000 from the peak of $1,473,000,000 in 1929 to just over $1,000,000,000 by the Summer of 1932; and a demoralized newsprint industry doubly hit during that period by reduced consumption and sharp cuts in prices. The stock markets, with a flurry now and then, continued to decline, and the "low" (to date) in 1932 was not reached until May 31 (with New York's registered even later, on July 8). The Index Number of the Dominion Bureau of Statistics (122 stocks) showed a "low" of 38.6 at the end of May, 1932, as compared with a "high" of 235.4 in 1929; 178.6 in 1930 and 115.1 in 1931: with a decline from the "bull" market peak to the "low" of 1932 of 83.6 per cent.; and from the "high" of 1931 of 66.5 per cent. *Financial Counsel's* Daily Averages fell from a "high" of 68.32 in Sept., 1929, to a "low" of 10.83 May 31, 1932—a decline of 84.1 per cent. New York Stock Exchange prices crashed from the peak to even lower relative levels: the Dow, Jones Averages being down from a "high" for Industrials of 381.17 in 1929 to a "low" on July 8,

1932, of 41.22 (off 90.2 per cent.); Railroads, down from 189.11 to 13.23 (93 per cent. off); and Utilities, from 144.81 to 16.53 (88.6 per cent.).

The remarkable similarity existing between the securities markets of Canada and the United States was illustrated on various occasions between the stock market crash of 1929 and June 30, 1932, when, with few exceptions, the Canadian stock markets and that of New York reached "lows" and "highs" on exactly the same dates from time to time. Practically the only instance when this parallel was not sustained was when Canadian stocks registered the "low" for the "bear" market to date on May 31, 1932, and the New York Stock Exchange continued its decline until July 8. Bond movements up and down also ran closely parallel in the two countries. It was only natural, therefore, that unfavourable business and financial conditions in the United States, in affecting prices of securities there, bonds and stocks, should influence Canadian securities, just as these developments affected Canadian trade with the United States. The slowing up of industrial activity, declines in car loadings, in earnings of corporations, and above all, the flood of enforced liquidation of securities at what came to be termed "panic rather than depression" prices, moved forward along almost identical lines. The sharpest contrast lay in the banking situations of the two countries; by its study, a realization was brought to the Canadian people of what their country had escaped through the strength of its banking system.

Factors in Canada's Efforts at Adjustment. Apart from the pledge of the Prime Minister that Canada would meet her obligations fully, the banking system of Canada—which withstood the crisis without a single failure, as against thousands in the United States—called forth more eulogies than did any other aspect of the situation. One of these was contained in an article by Horace F. Pomeroy in *Commerce and Finance,* New York, who, after a study of the Canadian banking system, commented: "In these troublous times, the banking system which has withstood the ravages of almost three years of world-wide depression without a single casualty, provides a refreshing object of study." The writer went on to point out that one great factor that had lent strength to the banking system was that Canadian banks carried no loans on real estate. The branch banking system of Canada was "extremely flexible and best suited to the needs of the country." Another secret of its soundness was its method of training men for higher positions, in being sent from one post to another in different Provinces, where they acquired first-hand knowledge of most of the country. He concluded thus: "The proven soundness of the Canadian banking system during the present financial and economic unsettlement furnishes reason for believing that the Dominion will be in the van of the next forward surge of general business."

One other phase of the assistance given by the Canadian banks to the national credit lay in increased loans to the Provincial Governments and municipalities. The Prairie Provinces, in particular, were handicapped in their borrowing powers through public issues by being forced to implement their guarantees of the three Wheat Pools in connection with the crop of 1929-30 by an amount in excess of $22,000,000. The Provinces pledged bonds to the banks to cover this obligation, and themselves received bonds of the Wheat Pools, which were gradually being paid off. The decline in Canadian exchange added from $100,000 to $200,000 extra to every $1,000,000 of bond interest or principal payable in New York funds, and the forcing of financing through domestic issues (with the New York market practically closed to Canadian bond issues after Sept. 21, 1931) compelled both the Provinces and municipalities to lean heavily on the banks until the Canadian money markets should prove favourable for bond issues. The loans of the banks to the Provinces reached a peak of $56,237,583 at the end of February, 1932, but by the end of July had declined to $20,192,400, a reduction of $35,045,125. At the end of July, 1930, loans to Provincial Governments had been only $7,983,617. The peak of loans to municipalities was reached in April, 1932, at $154,014,947. The reduction in this was relatively slower, as comparatively little financing had been done by the smaller municipalities in the

first half of 1932, with the investor unresponsive to this type of security. By the end of July the total was down to $130,650,216, a decline of $23,364,731 from the peak. The total of borrowings by Provincial Governments and municipalities had been reduced by $58,409,856 from the respective peaks earlier in the year.

The recovery in stock market prices in Canada began, as has been said, about five or six weeks before a similar movement started in the United States. The recovery of bond prices, touching first governments and municipals, and extending through to public utilities and industrials, set in between March and June, 1932, in both countries. Probably it was to Great Britain that Canada (as well as the United States) owed the first marked evidences that the "turn" had come in the most protracted and intense depression the country had experienced. It was first of all by the agreement reached by Great Britain, France and Germany at Lausanne, near the end of June, whereby a huge load of War debts was lifted from Germany (in so far as these signatories to the agreement could guarantee action) that a real stimulus was given to public confidence in Canada. About that date, also, action was taken by the British Government which drew forth the purchase of Canadian high-grade bonds and other securities and started the bond markets on a brisk upward movement that was to continue without a break for months. This step was the fixing of the unexampled rate of 3½ per cent. for a Government bond, which was offered to holders of £2,000,000,000 of British 5 per cent. bonds, at a time when high-grade Government bonds in London were selling on a 4 per cent. basis. This bold step, and the overwhelming acceptance by holders of the 5 per cent. bonds, who showed themselves willing to exchange these for securities yielding 1½ per cent. less, at once raised the levels of high-grade British bonds to a 3½ per cent. yield basis, and stirred up investment in Canadian securities of a higher yield on the part of British investors, who found them attractive under the changed conditions precipitated in regard to yields on English high-grades. From that moment the Canadian bond market took on new life, bond prices even of secondary grades began a steady advance, the rise in prices immediately checked pressure of holders to liquidate that had been a constant menace for nearly a year previous—and a dangerous crisis in the financial history of Canada appeared to have reached its end.

Stock Brokerage Failures. An early aftermath of Great Britain's departure from the gold standard was a series of brokerage failures in the City of Montreal, which were announced on Oct. 5 and Oct. 6, 1931. One of the firms involved, McDougall and Cowans, had for many years done the largest stock brokerage business in Canada. With head office in Montreal, the firm had branches in Toronto, Ottawa, Quebec City, Saint John, Halifax and Winnipeg. This firm, together with Greenshields and Company, which had branches in Toronto and Ottawa, as well as its head office in Montreal, assigned on the afternoon of Oct. 6. Petitions in bankruptcy were filed and the firms were suspended as members of the Montreal Stock Exchange. On the following day, Watson and Chambers, also members of the Montreal Stock Exchange, assigned. The first two firms were described by *The Gazette*, Montreal, as "two of Canada's greatest brokerage organizations." In the case of all these firms, it was stated that the failures had been forced by the calling of loans by several United States financial institutions, from which moneys had been borrowed before Canadian exchange went to a heavy discount. The lack of confidence engendered by the sharp fall in Canadian exchange had caused a good deal of selling of Canadian securities by United States holders and of calling of loans held by brokerage houses in Canada. The failures caused a further sharp break in Canadian securities, as immediately, steps were taken by some creditors to dispose of stocks held as collateral. The incidents caused a severe shock to financial circles in Montreal, particularly, and instantly announcements were made on behalf of the chartered banks that they were involved only to a moderate extent in loans made to these firms with securities as collateral. In the main, the failures appeared to have been the result of the steady deflation of prices of stocks for the

previous two years. Within six months, however, arrangements had been made by each of the firms to pay off their indebtedness to creditors over a period of years and they were admitted again to membership in the Montreal Stock Exchange. In the case of McDougall and Cowans, with Hon. Gordon W. Scott as Custodian, it was announced (Oct. 20, 1931) that the total of unsecured creditors amounted to $4,333,909, and secured creditors, to an extent of $15,386,085. A company was organized later, named "McD. and C. Holdings," to take over all the assets while the firm itself agreed to pay 60 per cent. of the net profits during the succeeding seven years to the creditors or until such earlier period as and when the indebtedness and 10 per cent. additional would have been paid. The reorganization was approved by the Registrar of the Bankruptcy Division of the Superior Court and the firm was discharged from bankruptcy on Mar. 11, 1932. In the case of Greenshields and Company debentures were offered to creditors, carrying interest at the rate of 3 per cent. per annum. A realization company was formed and the plan called for complete payment of all debts by Jan. 31, 1939. This firm also was discharged from bankruptcy on Feb. 16, 1932. In the case of Watson and Chambers a report was issued on Jan. 24, 1932, that total indebtedness to secured creditors of $1,237,060 as at the date of the Receiving Order, Oct. 6, had been reduced to $174,372 by Dec. 28, 1931. No scheme of reorganization was drawn up but satisfactory arrangements were made with creditors and the firm was re-elected to membership in the Montreal Exchange on Aug. 23, 1932. The rather unique arrangement by which the two former brokerage houses entered into business again under a seven-year arrangement for payment of obligations, created widespread interest. Several other failures developed in the course of the latter part of 1931 but none that affected so seriously existing conditions as those that occurred on Oct. 5 and Oct. 6.

Increases in the Funded Debt of Provinces. The tendency towards increased taxation, and with it, increased revenues and the almost inevitable increased expenditures, on the part of the Provinces, that had been a prevailing factor in governments for a number of years previously, continued as a necessary policy throughout 1931. According to a Report of the Dominion Bureau of Statistics, covering financial items of Provincial Governments (issued in 1932) the Bonded Debt outstanding increased by $97,504,260 in 1931 over 1930, while Treasury bills increased by $14,791,747 in the same period. At the end of 1931 the Bonded Debt of all the Provinces amounted to $1,016,647,165 as compared with $919,142,905. Fifteen years before, at the end of 1916, the Funded Debt was only $218,675,927, so that in the period there had been an increase of close to 400 per cent. At the end of 1920 the total was $349,513,773; at the end of 1925, $704,225,134, with $817,940,202 at the end of 1929. The Province of Ontario's Bonded Debt at the end of 1931 stood at $455,575,344 as compared with $398,821,344 at the end of 1930; with $350,563,844 at the end of 1929; $277,045,357 at the end of 1925; and $109,186,900 at the end of 1920. This Bonded Debt included guaranteed obligations for the Hydro-Electric Power Commission of Ontario. The Funded Debt of Alberta came next, amounting to $106,866,573 or slightly less than the total of $106,888,380 at the end of 1930. British Columbia was third, with $95,358,236 as against $87,365,236 for the previous year. Quebec's was $84,235,292 as against $76,735,292 (including bonds of $15,000,000 and $14,142,610 to La Banque d'Hochelaga); Manitoba $81,381,906 as against $76,641,161; Nova Scotia, $60,325,613 as compared with $55,483,480; New Brunswick, $45,858,996 as compared with $41,211,696; and Prince Edward Island lower at $2,104,000, as against $2,329,000. Sinking Funds of the Provinces had increased to $58,426,431 at the end of 1931, from $50,505,044. Interest charges amounted to $36,748,366 for the year 1931, where in 1930 the total was $35,186,305.

As illustrating the relative movements of Revenue and Expenditure, figures showed Total Ordinary Revenue for 1931 as down from $188,154,910 to $179,143,480, where Expenditures had increased in the year from $184,804,203 to $190,754,202—up over $11,600,000. Among items of taxation, corporations, land and other taxes amounted to $26,113,227 for 1931; succession duties to

$18,650,659 as against $20,296,757; taxes on motor vehicles, $19,952,575 as compared with $20,321,307, but an increase in the Gasoline tax from $20,956,590 to $23,859,067 (due to an increase in the rate). The gradual spread of government control over liquor traffic had steadily increased Governmental revenue. The total for 1931, however, was $32,128,693 as against $33,248,056 the previous year, reflecting in this instance a falling-off in sales and consumption.

$1,173,000,000 Decline in 161 Stocks in 1931; $5,385,480,071 Decline in 50 Stocks in 1932

According to an estimate made by the *Financial Times,* Montreal, there was a net depreciation of $1,173,361,714 in the market valuation of 161 stocks listed on the Montreal and Toronto Stock Exchanges during 1931. Of this number, 144 declined in value to an extent of $1,177,338,699, while only 17 issues showed an advance for the year, amounting to $3,996,985. It was stated also that the depreciation in the "bear market" was much more rapid than in a "bull market," as during the period from January, 1925, to October, 1929, covering almost 5 years, there was an aggregate appreciation in stock market values of only $2,253,896,913. The greatest depreciation was shown in Canadian Pacific Railway stock, from 40 to 16, a decline representing $348,400,000 on the amount of stock outstanding. The next largest decline was Imperial Oil, from 18 to 10⅜, a total amount of $203,723,415. In the case of a number of other securities the major portion of the depreciation since the stock market crash of 1929 occurred prior to 1931.

The low levels established on the Canadian stock markets at the end of May, 1932, from which substantial advances were made during the following months, provide an interesting comparison with the levels recorded at the peak of the "bull" market in September, 1929. A practical method of demonstrating the extent of the decline in the prices of listed securities is provided in a table published by *Financial Counsel,* Montreal and Toronto, in which there are recorded the market values of fifty leading Canadian listed stocks at the peaks of 1929 and the corresponding values at the "lows" of the "bear" market, reached in the first half of 1932. The total value of all the shares on a "paper" basis at the peak of 1929 was $6,265,709,154. The value of the stock outstanding at the "lows" of 1932 was $880,-229,083. The decline in indicated market value was $5,385,480,071, or 85.9 per cent. The total decline of all the listed stocks on the Montreal and Toronto Stock Exchange would run in excess of 6,000,-000,000. The largest decline was in International Nickel, from 72½ to 4⅛—representing an indicated loss of $940,000,000. Next came Imperial Oil, from 41¼ to 7⅜, with almost double the number of shares (26,421,768) showing a depreciation of $895,000,000. Canadian Pacific Railway stock came third with a drop from 67½ at the peak of 1929 to 8½, a decline of $790,000,000. Other declines were: $463,000,000 for Brazilian Traction; $285,000,000 for Montreal Light, Heat and Power; $279,000,000 for Consolidated Mining and Smelting Company; and $225,000,000 for Shawinigan Water and

Power. The largest decline in points was shown by Consolidated "Smelters" from 575 to 25, or 550 points. Dominion Glass dropped from 220 to 40; Hamilton Bridge, from 79 to 2; National Steel Car, from 142½ to 7; Winnipeg Electric, from 109½ to 2; Abitibi, from 57¾ to 1; and Canadian Industrial Alcohol, from $45 a share to 50 cents. The following table gives details of the downward movements:

Record of Stock Depreciation

	Number Shares	1929 "High"	Market Value	1932 (May) "Low"	Market Value	Decline	P.C. Decline
Abitibi	1,088,117	57¾	$ 62,838,257	1	$ 1,088,117	$ 61,150,640	98.3
Bell Telephone	760,950	183	139,253,850	78	59,354,100	79,899,750	57.3
Beauharnois	1,791,000	17	30,447,000	.45	805,950	29,641,050	97.3
Brazilian	6,295,385	82	516,221,570				
Current (a)	6,754,625			7¾	52,348,344	463,873,226	89.8
B. A. Oil	2,622,642	35⅞	94,087,282	8½	21,308,966	72,778,316	77.3
B. C. Power "A"	1,000,000	60	60,000,000	15½	15,500,000	44,500,000	74.2
Bldg. Prod. "A"	116,346	46	5,351,916	10	1,163,460	4,188,456	78.2
Burt, F. N.	106,940	90	9,804,600	17	1,817,980	7,986,620	81.1
Canada Cement	600,000	36	21,600,000	2¼	1,350,000	20,250,000	93.8
C. S. L.	120,000	51½	6,180,000	2	240,000	5,940,000	96.2
Can. Bronze	80,000	94	7,520,000	9½	760,000	6,760,000	89.9
Can. Canners	136,944	28	3,834,432	2⅜	325,242	3,509,190	91.5
Can. Car & Fdy.	365,800	32¾	11,979,850	2¾	1,005,950	10,973,900	91.6
C. I. A. "A"	969,480	45	43,626,600	.50	484,740	43,141,860	98.9
C. P. R.	13,400,000	67½	904,500,000	8½	113,900,000	790,600,000	87.4
Cockshutt	288,600	53	15,195,800	3	865,800	14,330,000	94.3
Cons. Bakeries	318,440	43	13,692,920	4	1,273,760	12,419,160	90.7
Cons. Smelters	510,048	575	293,277,800				
Current (a)	562,328			25	14,058,200	279,219,600	95.6
Consumers' Gas	132,500	196	25,970,000	142	18,815,000	7,155,000	27.6
Dist.-Seagrams	1,500,000	28½	42,750,000	3½	5,250,021	37,499,979	87.7
Dom. Bridge	410,437	117½	48,226,347	9	3,693,936	44,532,411	92.3
Dom. Engineer	125,000	113	14,125,000	22½	2,812,500	11,312,500	80.1
Dom. Glass	42,500	220	9,350,000	40	1,700,000	7,650,000	81.8
Dom. Stores	271,250	55	14,918,750	13⅜	3,611,250	11,307,500	76.5
Dom. Textile	270,000	118	31,860,000	39	10,530,000	21,330,000	66.9
Ford of Can. "A"	1,588,960	70	111,227,200	5¾	9,136,520	102,090,680	91.4
Gurd, Charles	60,000	45¾	2,745,000	9½	570,000	2,175,000	80.0
Hamil. Bridge	100,000	79	7,900,000	2	200,000	7,700,000	96.2
Hollinger	4,920,000	9.55	44,550,600	4.31	21,205,200	23,345,400	54.8
Howard Smith	220,000	29½	21,890,000	2½	550,000	21,340,000	91.5
Imperial Oil	26,421,768	41¼	1,089,897,930	7⅜	194,860,539	895,037,391	82.5
Inter. Nickel	13,758,208	72½	997,420,080	4⅛	56,752,608	940,667,472	94.3
Int. Petroleum	7,162,044	30¼	216,651,831	9¼	66,248,917	150,402,914	69.4
Lake of Woods	148,000	65½	9,694,000	4	592,000	9,102,000	93.9
Lindsay, C. W.	32,808	49	1,607,592	2	65,616	1,541,976	95.9
Massey-Harris	725,970	99½	72,234,015	2½	1,814,925	70,419,090	97.4
McColl-Front.	500,000	45	22,500,000	7¾	3,875,000	18,625,000	82.8
Mont. Power	4,083,674	90	367,530,660	20⅛	82,183,939	285,346,721	77.6
Nat. Breweries	721,372	38¼	27,592,517	9½	6,853,034	20,739,483	75.2
Nat. Steel Car	130,000	142½	18,525,000	7	910,000	17,615,000	95.1
Noranda	2,239,772	69	154,544,268	12½	27,997,150	126,547,118	81.9
Page-Hersey	173,430	141	24,453,630	35	6,070,050	18,383,580	75.2
Power Corp.	395,557	139¾	55,279,091				
Current (a)	415,335			6	2,492,010	52,787,081	95.3
Quebec Power	553,198	99	54,766,602	9¼	5,116,981	49,649,621	90.7
Shawinigan	2,178,250	111	241,785,750	7¼	15,792,312	225,993,438	93.5
Sherwin-Will.	200,000	65	13,000,000	7	1,400,000	11,600,000	89.2
Simon, H. & Sons	30,050	50½	1,517,525	5	150,000	1,367,525	90.1
S. Can. Power	400,000	64½	25,800,000	15	6,000,000	19,800,000	76.7
Steel Co.	460,000	69¼	30,855,000	11	5,060,000	25,795,000	84.1
Wpg. Electric	229,483	109½	25,128,389	2	458,966	24,669,423	98.1
GRAND TOTALS.....			$6,265,709,154		$880,229,083	$5,385,480,071	85.9

(a) Number of shares increased from 1929 to 1932.

Recovery of $600,000,000 in 50 Stocks. With several fluctuations from time to time, the Canadian stock market levels continued to slip down until the "lows" of May 31, 1932. During the month of June there was a fair recovery and in July this was stimulated by an advance from the

absolute "lows" of the bear market established in New York on July 8. Among advances during July were 18 points in Canada Cement preferred, 22½ in Canadian Hydro-Electric preferred, 10 in Alberta Grain preferred, and 5 in Steel of Canada preferred, with advances in common stocks, including 26¼ in Consolidated Mining and Smelting, 10⅞ in Dominion Bridge, 23 in Dominion Glass, and 7 in Steel of Canada. Among advances in bank stocks were 15 points in Canadian Bank of Commerce, 36½ in Bank of Montreal and 16½ in Royal Bank of Canada. An estimate published by *Financial Counsel* on Aug. 11 showed a gain of $571,000,000 in 50 stocks listed on the Canadian stock exchanges from the "lows" of May 31 to current levels 11 weeks later—from $842,987,336 to $1,414,626,245, an advance of 67.9 per cent. The higher levels indicated about one-ninth of the total of the loss experienced during the protracted price decline of the bear market as having been wiped out up to Aug. 11. The largest advance in point of value was one of $130,650,000 in Canadian Pacific Railway stock, with $102,384,000 for Imperial Oil, and $79,109,000 for International Nickel Company of Canada. The stock of Montreal Light, Heat and Power Consolidated advanced over $60,000,000 in the period. *The Mail & Empire*, Toronto, on Aug. 27, 1932, quoted the Toronto Stock Exchange as declaring that the average increase shown by shares of the 23 leading issues traded during the 45 days ended Aug. 25 on the Toronto Exchange was 102.9 per cent., equivalent to an average daily gain of 2½ per cent. —"probably the most consistent and sweeping advance in the history of the Exchange for a similar period." The newspaper article contained a list of stocks whose aggregate values rose from $799,451,495 at the June "lows" to $1,445,124,480 at recent "highs"—a gain of $645,672,985.

From the "Highs" of 1929 to the "Lows" of May 31, 1932.

An interesting picture of the rise and fall of prices of listed stocks is contained in "Investors' Index Numbers," published by the Dominion Bureau of Statistics. The principle underlying the Index is a measurement of the trend of values for an investor "who buys a fixed list of stocks and holds them over a long period." The base of the Index is the average of prices prevailing in 1926, which was fixed at 100. At the peak of stock market levels that was reached in September, 1929, this base rose to 235.4. During 1930 the "high" was 178.6 and the "low" was practically the average for 1926, standing at 100.6. In 1931 the "high" was only 15 per cent. above the 1926 level and was less than one-half the peak of 1929, standing at 115.1. The "low" for 1931 fell to 58.8, just one-half the "high" for that year, and almost exactly 25 per cent. of the peak of 1929. In the first half of 1932 there was a further recession in prices. In the last week of May, the "low" for any week of the year was touched at 38.6. As this level, at the time of writing, appears likely to prove to be the extreme "low" of the "bear" market it is interesting to note that it represented only 16.4 per cent., or less than one-sixth the level reached in September, 1929, and was little more than one-third the average for 1926. By the end of June the average had increased to 40.3 for the final week. (For July the Index was further up to 48.7, and for August, to 58.5, a gain of over 50 per cent. in 3 months. This Index number represented a total of 122 listed securities).

Naturally the advances and declines were not uniform for different groups of stocks, representing different industries. Iron and steel stocks reached a "high" of 383.8 in 1929 with the average for June, 1932, down to 40.5, and an extreme "low" at the beginning of June of 36.8, or less than 10 per cent. of the peak of 1929. Pulp and paper stocks saw an even more drastic decline: from a "high" of 118.2 in 1929, there was a drop to a "low" of 6.2 in the third week of June, 1932, and the Index Number fell even lower in July and August with the further decline in activity in the newsprint industry. The 1932 "low" was only about 5 per cent. of the 1929 "high." Milling stocks dropped from 267.4 in 1929 to 57.2 in June, 1932; oils from 416.8 to a "low" of 78.3; textiles and clothing from 110.1 to 24.2; beverages from 201.4 to 27.3; transportation from 160.6 to 20.2; telephone and telegraph from 125.6 to 53.3; power and traction from 192.7 to 37.5; industrials generally from 191.5 to 52.4; and

utilities from 258.0 to 31.9—representing the decline from the peaks of 1929, all through 1930 and 1931 to extreme "lows" reached at the end of May or early in June, 1932. The following table illustrates the general movement of the various Index numbers:

	Total	Industr.	Pub. Utils.	Steel	Paper	Milling	Power	Bever.
Aver. 1926	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
High, 1929	235.4	191.5	258.0	383.8	118.2	267.4	192.7	201.4
Low, 1929	155.8	117.4	138.1	196.1	73.1	191.9	131.1	89.1
High, 1930	178.6	136.4	185.3	231.3	73.4	192.5	163.3	95.7
Low, 1930	100.6	72.4	72.7	134.5	22.3	97.9	108.4	59.9
High, 1931	115.1	86.7	95.7	146.3	24.6	107.9	128.4	77.6
Low, 1931	58.8	51.0	33.6	71.5	9.0	47.8	74.6	40.6
High, 1932(a)	63.2	67.1	45.7	77.2	10.5	66.5	76.8	42.5
Low, 1932(a)	38.6	52.4	31.9	36.8	6.2	57.2	37.5	27.3

(a) to June 30.

Price Movements of Victory and War Loan Bonds. The upward movement in Dominion Government bonds, Victory and War Loan issues, that prevailed for the greater part of the first six months of 1931, eased off in the Summer months, and changed to a sharp decline when the departure of England from the gold standard drove down Canadian exchange and a reactionary movement took place in prices even of the highest grade bonds. Victory Loan 1937's, from an opening at 107.05, rose to a high of 112.40 and declined by the end of 1931 to 104.25, a fall of 8.15 points. The Victory Loan of 1933 had a high of 105.25 and a close of 100.25, a drop of 5 points. Canadian War Loan of 1937 fell 4.40 points from 108.15 to 103.75 but recovered to 105.10. The Refunding Loan of 1944 dropped 9.75 points from a high of 102.25 to a new low of 92.50. The Conversion Loan of 1957 fell over 10 points, from 102.75 to 92.25. During the first half of 1932 there was at first a further downward movement and, later on, a recovery. The Victory Loan of 1937 closed the half year at 105.15, up 0.90 points from the close of the year 1931. The Renewal Loan of 1932 closed at 100.60 as against 99.90 at the end of 1931. The Refunding Loan of 1943 was lower by 0.75 points at 97.25. The Conversion Loan of 1958 was 89.25 as against the 1931 close of 88.37, and the National Service Loan of 1936 was also lower at 97.50 against a close of 98.25 in 1931. From the "highs" of 1932 to the closing levels on June 30 there was an average of 1 to 2 points of a decline. The following table covers a record of "high" and "low" levels for the first half of 1932 and for the entire years from 1931 to 1929, inclusive:

Loan	Per Cent.	1929 High	1929 Low	1930 High	1930 Low	1931 High	1931 Low	1932 (To June 30) High	1932 (To June 30) Low
War Loan, 1937	5	103.00	99.90	105.75	100.90	108.15	103.75	107.00	105.00
Victory Loan, 1933..	5½	102.50	99.60	103.65	101.60	105.25	100.25	101.25	100.25
Victory Loan, 1937..	5½	106.05	102.50	109.60	103.90	112.40	104.25	108.15	104.00
Refunding Loan, 1940	4½	98.40	93.90	101.55	95.10	102.12	94.75	94.60	91.50
Refunding Loan, 1944	4½	98.50	94.00	100.50	95.30	102.25	92.50	92.25	89.50
Refunding Loan, 1946	4½	98.50	93.75	100.50	95.65	102.45	89.00	92.25	91.75
Conversion Loan, 1946-56	4½	not issued		not issued		102.00	91.00	89.75	88.25
Conversion Loan, 1947-57	4½	not issued		not issued		102.75	92.25	91.50	88.00
Conversion Loan, 1948-58	4½	not issued		not issued		104.65	88.37	92.75	88.75
Conversion Loan, 1958-59	4½	not issued		not issued		104.70	89.00	92.25	88.75
National Service, 1936	5	not issued		not issued				98.25	96.25
National Service, 1941	5	not issued		not issued				96.25	96.25

Market Movements Canadian Bank Stocks. The steady decline in Canadian bank stocks which had prevailed throughout 1930 continued generally throughout the year 1931 and the first half of 1932. This was due, not only to enforced liquidation which affected price levels of securities generally but, in the case of the banks, to a realization that the dividend payments which had been maintained for a number of years must give way to the pressure of lower earnings, induced by the business depression. Towards

the close of 1931 the downward movement was accelerated by the decision of all the banks that were paying bonuses, 1 per cent. or 2 per cent., to discontinue these. The downward trend in the first half of 1932 was influenced again by a prevailing feeling that a further cut was still to come in the reduced dividend rates, an anticipation that proved to be well founded. During the year 1931 stock of the Bank of Montreal showed a net decline of 45 points, from an opening level of 280 to a close of 235; the Bank of Nova Scotia stock dropped from 320½ at the opening to 284, a reduction of 36½ points; the Royal Bank of Canada stock fell 42 points from the opening to the close, 273 to 231; Bank of Toronto, 31 points; Canadian Bank of Commerce, 34 points; Dominion Bank, 20 points; Banque Canadienne Nationale, 1 point; and Imperial Bank, 24 points. During the first half of 1932, Bank of Montreal stock declined a further 85 points to 150; Bank of Nova Scotia, 46 points to 238; Bank of Toronto, 68 to 125; Canadian Bank of Commerce, 68 to 123; Royal Bank, 102 points to 120; Dominion Bank, 69 points to 125; Imperial Bank, 63 points to 130; and Banque Canadienne Nationale, 37¼ points to 127½. The following table shows high and low records for the first half of 1932 and the entire years 1931 to 1927, inclusive.

Bank	1927		1928		1929		1930		1931		1932 (To June 30)	
	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low
Bank of Montreal	355½	272	420	334	425	290	325	275	303	235	180	150
Bank of Nova Scotia	399	298	410	374	406¼	363	355	314	326	284	274	238
Bank of Toronto	287	227	340	270	282	240	262	215	238	213	238	213
Canadian Bank of Commerce	295	228	335	277¾	360	240	275	222	232	196	140	124
Royal Bank	344	257	440	330	397	285	315	272	291	231	150	124
Dominion Bank	275	217⅛	300	250	280	223	243	216	224	204	194	125
Banque Canadienne Nationale	198	160½	220	184	189	170	175	168	175½	162½	130	128¼
Imperial Bank	255	214	282	245	277	227	245	216	225	201	193	130

NOTE:—Stocks of Barclays Bank (Canada) and Provincial Bank not listed.

Movement of Mining Stocks. The peaks of mining stocks were reached not in 1929 but in 1928. These stocks had begun a decline in the earlier period that continued throughout 1929 and 1930. Average levels in 1931 were actually higher than in 1930, owing to the almost phenomenal results of operations of the gold mining companies, nearly all of which showed largely increased production and earnings, with an assured market for their gold, where ordinary industrial companies were showing reduced business and decreased earnings. For all that, the various classes of mining stocks as well as the average for the entire number followed the general downward trend of the stock markets during the first half of 1932, and new "lows" for many years past were registered for June. In the gold group the "high" of 1928 was 137.2 (with a "low" of 75.4); the "high" of 1929 was 89.7; that of 1930, 66.7, with a rise to 79.5 in 1931 and a decline to 49.9 for June, 1932. Four copper stocks had a "high" of 344.3 in 1928 and declined to almost one-eighth at 47.8 for June, 1932. Silver and other mining stocks fell from an average of 128.4 in 1928 to a "low" of 15.5 in May, 1932, the June average being 16.8. The total of 20 mining stocks moved from 138.6 in 1928 to the "low" of 48.3 for June, 1932. From this time an upward movement became again in force. The range was as follows:

	Gold	Copper	Silver, etc.	Total
High, 1928	137.2	344.3	128.4	138.6
High, 1929	89.7	340.5	88.2	127.9
High, 1930	66.7	218.4	50.7	88.3
High, 1931	79.5	114.5	46.5	85.4
High, 1932 (Jan.)	60.1	62.5	26.5	59.7
June, 1932 (aver.)	49.9	47.8	16.8	48.3

Montreal Stock Exchange. Activity on the Montreal Stock Exchange during 1931 was at the lowest ebb since the year 1925. From that date

on to 1929 there had been a steady growth in transactions as interest in the stock markets spread over the country, with the result that the total for 1928 was almost double that of 1927, and there was an increase from 18,990,039 transactions in 1928 to the peak to date of 23,203,463 shares in 1929. The total for 1930, however, was less than half that of 1929, and 1931, with 5,264,818 shares traded in, again fell to less than one-half that of the previous year and less than one-quarter the total of 1929. The most active stock on the Montreal list during 1931 was Brazilian Traction with sales of 1,077,686 shares. Montreal Power was second in volume with 865,027 shares. Third came International Nickel, 677,139 shares. Next in order were: Canadian Pacific Railway, 244,094; National Breweries, 230,676; Shawinigan, 201,694; Canada Cement, 195,029; McColl-Frontenac, 153,334; Dominion Bridge, 138,830; Consolidated Mining and Smelting Co., 119,304; and Canadian Car and Foundry Co., 101,637. The following is a record of transactions month by month for the 7 years with the month of May showing the greatest activity with 851,426 shares and December the least with 125,308.

Month	1931 Shares	1930 Shares	1929 Shares	1928 Shares	1927 Shares	1926 Shares	1925 Shares
January	377,241	988,789	4,173,257	1,517,595	510,380	512,022	393,118
February	706,607	830,534	2,037,891	1,274,280	531,336	810,908	297,577
March	605,696	1,133,969	2,157,613	1,393,589	622,040	581,524	265,342
April	477,053	1,601,864	1,117,477	1,603,615	700,130	323,094	189,070
May	851,426	1,088,587	1,287,879	1,727,793	868,605	335,398	354,476
June	528,093	1,389,470	766,813	1,214,858	944,729	285,975	257,174
July	245,845	308,399	928,841	700,127	419,177	270,542	290,402
August	169,400	558,387	2,103,138	924,940	627,009	967,070	427,009
September	437,503	817,409	1,854,675	900,422	1,172,169	786,615	398,367
October	308,888	1,350,604	3,609,402	2,308,349	1,179,565	735,135	637,444
November	431,758	446,867	2,077,720	3,217,754	1,073,798	484,000	322,674
December	125,308	532,593	1,088,757	2,206,717	1,343,689	649,887	484,003
Total..	5,264,818	11,047,472	23,203,463	18,990,039	9,992,627	6,751,570	4,316,626

During the first half of 1932 trading on Montreal Stock Exchange was considerably less than one-third the volume of the first half of 1931 and one-seventh that of 1930. Sales in January, for instance, were only 125,989 as against 377,241 in January, 1931; 988,789 for January, 1930, and 4,173,257 for January, 1929, which represented by far the most active month of January in the history of the Exchange. In not a single month in the first half of 1932 did transactions reach 200,000 shares. The total for the 6 months to June 30th was 1,004,876 shares as compared with 3,446,116 for the first half of 1931; 7,032,540 for the first half of 1930, and 11,540,883 shares for the first half of 1929.

A report issued by the Exchange on July 13, 1932, showed a very sharp reduction in borrowings of their members on Canadian securities. On Oct. 3, 1931, the total had been $54,991,145 and had decreased by $41,125,622 by July 7, or 74.8 per cent. The following record covers totals as at the dates mentioned: Oct. 3, 1931, $54,991,145; Mar. 4, 1932, $25,573,685; Apr. 7, 1932, $22,758,561; May 5, 1932, $18,922,577; June 2, 1932, $15,139,386; July 7, 1932, $13,865,523.

At the annual elections for the Exchange, held on May 19, 1932, there were elected by acclamation: Chairman, L. G. Beaubien; Vice-Chairman, D. S. McMaster, and Secretary, G. H. Turpin. The following were elected Governors after balloting: A. S. Cassils, F. C. Fairbanks, G. W. S. Henderson, F. S. Mathewson, M. Forget, and J. W. Yuile. Trustees of the Gratuity Fund chosen were: F. C. Fairbanks, for one year; G. W. S. Henderson, for two years; and W. E. J. Luther, the retiring Chairman (afterwards deceased), for three years.

Montreal Curb Market. Trading on the Montreal Curb Market during 1931, in the case of industrial and other stocks, but excluding mining shares, did not show the same sharp decline from the 1930 total (1,197,349 shares as against 1,901,667 shares), but as compared with the 1929 total of

5,289,241 shares the disparity was greater than in the case of the Montreal Stock Exchange. The most active industrial stock on the Curb in 1931 was Imperial Oil with 360,884 shares, followed by Imperial Tobacco with 117,048; International Petroleum, 103,658; Hiram Walker-Gooderham and Worts, 90,214; British American Oil, 80,796; and Beauharnois Power Corporation, with 71,184 shares. Activity in mining stocks, however, during 1931, was much greater than in 1930 due to a large extent to the popularity of the gold mining stocks, two of these—Moss Mines with 1,885,330 shares and Siscoe with 1,241,365 shares—being the leaders in activity and, together (with a total of 3,126,695 shares) accounting for well over 70 per cent. of mining shares traded in of 4,346,029. The latter total compared with 2,388,797 for 1930. Next to these two (which were stocks selling under $1 a share) was Noranda, which led the higher-priced mining stocks with 379,073 shares, followed by Abana, with 315,855 shares. For the first six months of 1932 sales amounted to 1,829,419 shares.

At the annual elections of the Montreal Curb held on May 20, 1932, the following were elected officers: Chairman, J. W. Yuile; Vice-Chairman, L. Ross Cooper; Secretary-Treasurer, Grant Johnston; Committee: O. E. Armstrong, W. H. Dean, H. Geoffrion, R. E. Gillett, J. D. Macpherson and C. N. McCuaig.

Toronto Stock Exchange. The volume of transactions for 1931 was in sharp contrast with that of 1930, falling to considerably less than one-half. The total of 2,973,358 shares dealt in in the Listed section compared with 6,824,609 for 1930, and was less than 30 per cent. of the total of 10,138,736 shares for 1929. Curb sales of 2,601,847 shares, however, were a little above the 1930 total of 2,360,768 shares. Total turnover at 5,675,195 shares was approximately 60 per cent. of 1930. The following is a record of the Listed and Curb sections for the three years, 1929, 1930 and 1931:

	1931		1930		1929	
	Listed	Curb	Listed	Curb	Listed	Curb
January	258,543	179,921	497,793	199,343	2,032,363	857,617
February	327,362	219,474	408,986	243,348	922,548	479,498
March	308,546	379,504	569,934	189,947	1,375,995	573,986
April	248,866	306,023	645,057	207,548	716,100	524,994
May	297,784	283,597	466,599	216,792	895,534	317,646
June	289,707	174,911	859,970	286,194	407,497	430,215
July	154,041	84,584	212,440	83,266	371,751	319,368
August	90,610	194,595	1,670,572	105,601	294,711	565,030
September	238,552	175,399	589,881	194,060	720,843	475,286
October	255,456	202,726	504,042	263,376	1,303,586	761,741
November	327,339	240,439	169,824	119,266	910,995	408,884
December	176,552	160,674	229,511	252,027	186,813	203,511
TOTALS	2,973,358	2,601,847	6,824,609	2,360,768	10,138,736	5,917,776

At the Annual Meeting of Toronto Stock Exchange held on June 21, 1932, Col. G. G. Mitchell was re-elected President by acclamation and Harold Franks was re-elected Vice-President, also by acclamation. For secretary, F. G. Lawson was appointed to succeed H. L. Plummer, who retired and D. F. McMillan succeeded Mr. Lawson as Treasurer. The Committee was chosen as follows: H. E. Wallace, D. C. Haig, G. R. Bongard, P. R. Gardiner, H. B. Housser, and S. R. Mackellar.

Standard Stock and Mining Exchange. The volume of business transacted on this Exchange during 1931 showed an increase of about one-third over 1930, with 121,325,241 shares compared with 89,853,672 for 1930 but less than one-half the total of 279,488,596 shares for 1929. The value, however, of shares traded in during 1931 was far below that of 1930, owing to the deflation in prices of stocks, the 1931 value of $90,005,144 comparing with $139,870,965 for 1930. The change from 1929 was much more marked as for that year the value of stocks traded in was $710,308,184. Taking averages, that of 1931 was about 74 cents a share compared with $1.49 in 1930

and $2.55 in 1929. In a statement issued at the end of 1931, F. J. Crawford, President of the Standard Stock and Mining Exchange, declared that "Not for many years have conditions been so favourable for the gold mining industry. During the entire year costs of production were at a substantially lower level than in recent previous years. While the price of gold has remained constant, prices of materials that go into mining have decreased, thus improving the ratio of profits to gross revenues." In addition, Canadian gold mines had enjoyed the advantage of payments in New York funds, thus providing a premium averaging close to 13 per cent. for the final quarter of 1931. Gold stocks, Mr. Crawford stated, had been a centre of interest in all leading stock markets, and "particular attention on the part of investors outside Canada has been given to the stocks of seasoned gold mines of Canada." The base metal mines presented a different picture. These enterprises had been adversely influenced, he pointed out, by the trend of base metal prices, copper, lead, zinc and other minerals having dropped into new low ground.

For the first half of 1932 sales on the Standard Stock Exchange declined sharply, to 29,581,468 shares of a value of $17,358,014. This compared with sales of 72,289,223 shares for the first half of 1931 and with 55,573,769 for the first half of 1930.

At the Annual Meeting of the Exchange, held on Jan. 19, 1932, the following officers were elected: President, G. W. Nicholson; First Vice-President, F. O'Hearn; Second Vice-President, Harry Hutson; Secretary, Hon. Manning Doherty.

Vancouver and Winnipeg Stock Exchanges. For the year 1931 sales of Listed Mines on the Vancouver Stock Exchange amounted to 4,912,850 shares of a value of $898,971; Listed Oils, 3,734,212 shares, valued at $564,494, and Industrials, 13,208 shares, of a value of $184,714. Total sales of Listed stocks for the year amounted to 8,660,270 shares, valued at $1,648,181. Sales of Unlisted Mines amounted to 6,029,578 shares, with value of $590,865; Eastern Mines, 31,608 shares, with value of $139,546; and Unlisted Oils, 1,932,456 shares, with a value of $374,672. Total for the Unlisted stocks, 7,993,642 shares, valued at $1,105,084. The grand total for both Listed and Unlisted was 16,653,912 shares, with a market value of $2,753,266. The officers elected for 1932 were as follows: President, C. G. Pennock; Vice-President, A. E. Jukes; Honorary Treasurer, G. R. Davidson; and Honorary Secretary, N. E. O'Brian.

For the 12 months from June 1, 1931, to May 31, 1932, there were 1,211 shares of Listed stocks dealt in on Winnipeg Stock Exchange of a value of $56,721; 10,424 shares of Unlisted stocks valued at $126,646; 327,610 shares of Mines and Oils valued at $46,075, and $1,112,200 of Bonds. At the Annual Meeting held on June 14, 1932, the following officers were elected: President, J. McDonald; Vice-President, T. C. Anderson; Secretary, D. L. Rossini; and a Governing Committee.

Largest Bond Sales in 1931 of Any "Peace" Year

Aided by the two major financial operations by the Dominion Government, the Conversion Loan amounting to $643,109,300 and the Dominion of Canada National Service Loan of $221,698,200, a total of $864,307,500, Canadian bond sales during 1931 were the largest in any peace year. According to estimates compiled by A. E. Ames and Company, Limited, the total amounted to $1,247,948,439 or nearly $500,000,000 in excess of the total for 1930 of $763,022,807 and close to double the total for 1929 of $658,388,556. Of the 1931 total Government financing amounted to $985,236,505, in-

cluding the Provinces as well as the Federal Government; municipal financing, $87,374,934; corporation financing, $55,337,000; and railroad financing, $120,000,000. According to the table compiled by this firm (appearing below) $1,085,000,000 of this total was placed in Canada, $158,000,000 in the United States and only $4,100,000 in Great Britain, the last an issue of the Canadian National Railways.

Sold in:	Government	Municipal	Corporation	Railroad	Total
Canada	$917,194,505	$66,131,934	$43,837,000	$58,500,000	$1,085,663,439
U.S.A.	68,042,000	21,243,000	11,500,000	57,400,000	158,185,000
Great Britain	.....	.....	.....	4,100,000	4,100,000
Totals 1931	$985,236,505	$87,374,934	$55,337,000	$120,000,000	$1,247,948,439
1930	295,157,800	114,034,507	216,592,500	137,238,000	763,022,807
1929	118,960,000	115,534,456	220,893,600	198,000,000	658,388,556

According to a table compiled by Dominion Securities Corporation, Limited, 85.78 per cent. of Canadian bonds issued during 1931 was placed in Canada compared with 51.82 per cent. in 1930. Percentage placed in the United States was 13.62 per cent. as against 46.51 per cent. the previous year and the percentage placed in Great Britain 6/10 of 1 per cent. as compared with 1.67 per cent. in 1930 and 4.40 per cent. in 1929. This compilation follows:

	1931	1930	1929	1928	1927
Government	$ 989,466,305	$258,081,800	$115,310,500	$ 78,876,333	$149,945,500
Municipal	86,770,306	113,211,556	99,579,207	29,909,525	70,761,832
Railway	121,750,000	138,487,000	198,000,000	43,396,000	80,000,000
Public Service Corp...	45,300,000	143,120,500	83,100,000	58,260,000	96,225,000
Industrial and Misc...	8,972,000	52,190,000	132,026,500	213,183,000	211,212,067
Total	$1,252,258,611	$705,090,856	$628,016,207	$423,624,858	$608,144,399
Percentage placed in Canada	85.78%	51.82%	52.42%	48.50%	49.18%
Percentage placed in United States	13.62%	46.51%	43.18%	47.96%	49.06%
Percentage placed in Great Britain	.600%	1.67%	4.40%	3.54%	1.76%

Borrowing in the United States. Among the Canadian bonds distributed in the United States during 1931 was $27,400,000 (out of a total issue of $70,000,000) and $30,000,000 (out of a total of $50,000,000) of Canadian National Railways bonds (guaranteed by the Dominion of Canada) and each bearing a coupon rate of 4½ per cent. This made a total of $57,400,000 out of the issues of $120,000,000 on railway account. Of the Provinces, all except New Brunswick and Prince Edward Island borrowed in the United States to an amount in all of $64,042,000. The Province of Ontario was the largest borrower, $15,000,000 in January and $20,000,000 in June, each issue bearing 4½ per cent. interest rate, the popular rate at the time. The next largest offering was that of the Province of Quebec, of $7,500,000, with British Columbia next, of $5,000,000. Among municipalities, borrowings amounted to $21,343,000 in the United States markets with the City of Montreal placing $11,000,000 in June; Toronto $7,563,000 in April, and the (Montreal) Metropolitan Commission, $2,680,000 in May. Among corporations, the largest was an $8,000,000 issue of Dominion Gas and Electric Company (organized to purchase properties in Western Canada controlled by International Utilities Corporation); $2,500,000 for British Columbia Telephone Company, and $1,000,000 for Manitoba Power Company. The following table (A. E. Ames and Company, Limited) covers borrowings in the United States amounting to $158,185,000:

Dominion and Provincial

Date 1931	Issue	Interest Rate	Term Years	Total Amount of Issue	Amount Sold in U.S.
Jan.	Ontario	4½%	40 ins.	$ 30,000,000	$15,000,000
	Alberta	4 %	1 year notes	3,000,000	3,000,000
	Manitoba	4 %	Dec. 15, 1932	2,444,000	2,444,000
Feb.	Saskatchewan	3½%	1 year notes	3,000,000	3,000,000
	British Columbia	4¼%	5 years	5,000,000	5,000,000
Apr.	Alberta	4¼%	April 1, 1934-35	3,943,000	3,943,000
	Quebec	4½%	30 years	7,500,000	7,500,000
	Nova Scotia	4½%	30 years	2,115,000	2,115,000
	Manitoba	4 %	May, 1, 1933	2,040,000	2,040,000
June	Ontario	4½%	40 ins.	30,000,000	20,000,000
Nov.	Dominion of Canada	5 %	Nov. 15, 1936-41	215,000,000	4,000,000
			Total		$68,042,000

Municipal

Apr.	Toronto	4½%	1932-61	$10,084,000	$ 7,563,000
May	Montreal Met. Commission	4½%	34	2,680,000	2,680,000
June	Montreal	4¼%	20 and 40 years	11,000,000	11,000,000
			Total		$21,243,000

Corporation

Apr.	Manitoba Power Co.	5½%	July 1, 1952	$ 1,000,000	$ 1,000,000
May	Dominion Gas & Elec. Co.	6½%	July 1, 1945	8,000,000	8,000,000
June	B.C. Telephone Co.	5 %	30 years	2,500,000	2,500,000
			Total		$11,500,000

Railroad

Feb.	Canadian National Railways	4½%	25 years	$70,000,000	$27,400,000
Sept.	Canadian National Railways	4½%	20	50,000,000	30,000,000
			Total		$57,400,000

Distribution in Canada. In addition to two Dominion Government issues ("National Service" and "Conversion" Loans), the Provinces came into the domestic market on a fairly large scale during the first half of 1931. The Province of Ontario distributed about half of a $30,000,000 issue in January to Canadian investors, the balance as noted above finding a market in the United States. This Province had a second issue of similar amount in June, of which $10,000,000 was placed in Canada. British Columbia in February and March had issues of $9,057,000, with two issues of $7,824,000 in May. Manitoba made two offerings, both short term issues, in January and April. The Province of Alberta had five issues, Quebec Province one of $7,500,000 in April, and Saskatchewan had two: one-year notes and a 5-year bond issue, in February and April. The Province of Manitoba made 10-year and 20-year offerings in July. The following is a list of government, provincial and railway issues made in Canada during 1931:

Dominion

Date 1931	Issue	Interest Rate	Term Years	Amount	Price	Basis
May	Dom. of Can. Conv. Loan	4½%	25	$643,109,300	.....	....
Nov.	Dom. of Can. Nat. Serv. Loan	5 %	5 and 10	221,198,200	.....	....
				$864,307,500		

Provincial

Jan. 13	Ontario	4½%	40 ins.	$30,000,000	98.6699	4.60 %
"	Alberta	4 %	1 yr. Treas. Notes	3,000,000	.....	....
"	Manitoba	4 %	Dec. 15, 1932	2,444,000	99.75	
Feb. 17	Saskatchewan	3½%	1 yr. Notes	3,000,000		3⅝ %
"	British Columbia	4½%	5	5,000,000	98.40	4.51 %
Mar.	British Columbia	4½%	30 ser.	4,057,000	98.60	4.70 %
"	Alberta	4½%	30	1,970,000	98.75*	4.58 %
"	Alberta	4¼%	4	2,000,000	100*	4¼ %
Apr. 6	Alberta	4¼%	April 1, 1934	2,000,000		
"	Alberta	4¼%	April 1, 1935	1,943,000	100*	4¼ %
Apr. 8	New Brunswick	4½%	30	5,215,000	99.438	4.52 %
" 30	Quebec	4½%	30	7,500,000	98.06	4.36 %
" 30	Nova Scotia	4½%	30	2,115,000	99.277	4.54 %
"	Saskatchewan	4½%	5	500,000	100*	4.50 %
" 24	Hydro-Elec. Power Com. of Ont., guar. by Prov. of Ont. (Essex County Railway issue)	5 %	Sept. 1, 1943	966,205	103.678	4.63 %
" 24	Hydro-Elec. Power Com. of Ont., guar. by Prov. of Ont. (Essex County Railway issue)	5 %	July 1, 1945	750,000	103.678	4.63 %
" 24	Hydro-Elec. Power Com. of Ont., guar. by Prov. of Ont. (Essex County Railway issue)	5 %	Sept. 1, 1945	100,000	103.678	4.63 %
" 24	Hydro-Elec. Power Com. of Ont., guar. by Prov. of Ont. (Essex County Railway issue)	6 %	July 15, 1946	600,000	103.678	4.63 %
" 24	Hydro-Elec. Power Com. of Ont., guar. by Prov. of Ont. (Essex County Railway issue)	4½%	April 1, 1960	50,000		
"	Manitoba	4 %	May 1, 1933	2,040,000	100.06	3.97 %
May	British Columbia	4 %	30	4,324,000	92.51	4.455%
"	" "	4 %	5	3,500,000	98.68	4.29 %
" 27	Alberta	4½%	30	3,000,000	97.98*	4⅝ %
June 4	Ontario	4 %	40 ins.	30,000,000	94.19	4.41 %
" 9	Alberta	4 %	2	2,000,000	99.71	4.15 %
"	"	4½%	6	1,650,000	100.00*	4.50 %
July 21	Manitoba	4½%	Aug. 1, 1941	2,566,000	97.64*	4.80 %
"	"	4½%	Aug. 1, 1951	2,672,000	95.75*	4.835%

Railroad

Feb.	Canadian National Railways.	4½%	25	$50,000,000	.....	....
			(additional)	20,000,000	.....	....
Sept.	C.N.R. guar. by Dom. of Can.	4½%	20	25,000,000	98.50*	4.61 %
Sept.	C.N.R. guar. by Dom. of Can.	4½%	20	25,000,000	98.50	4.61 %

* Offering Price.

Municipal

Included in the long list of municipal issues made during 1931, amounting to over $87,000,000, are the following for over $1,000,000 each:

Feb. 16	City of London	4½&5%	1931-50	$1,218,300	101.025	4.78 %
" 20	City & County of St. John, N.B.	4½%	40	1,300,000	95.537	4.68 %
" 24	City of Toronto	4½%	30 ins.	4,836,000	99.17	4.58 %
Mar. 10	City of Montreal	4½%	40	8,570,000	99.207	4.54 %
"	" " "	4½%	20	2,500,000	99.207	4.54 %
" 10	Twp. of Cornwall	5½%	20 ins.	31,395	105.671	4.84 %
"	" " "	5½%	4 ins.	860	105.671	4.84 %
Apr. 2	City of Winnipeg	4½%	April 1, 1961	2,900,000	97.781	4.65 %
" 9	City of Vancouver	5 %	10, 15, 20 & 40 yrs.	3,667,733	104.70	4.71 %
" 10	City of Quebec	4½%	30	1,457,000	99.569	4.53 %
" 14	Montreal R.C. Sc. Com., Que.	4½%	40	2,500,000	98.867	4.57 %
May 5	Montreal Met. Com., Que.	4½%	34	2,680,000	98.911	4.56 %
" 11	City of Hamilton, Ont.	4½%	1931-61	1,560,783	100.71	4.50 %
" 17	City of Montreal	4½%	40	2,000,000	98.62	
"	" " "	4¼%	20 ser.	9,000,000	98.62	
Dec. 28	City of Hamilton	5 %	1932-61	1,594,000		5.95 %

Corporation Financing. The largest individual amount raised by corporations through public issues in 1931 was $12,000,000 by the MacLaren-

Quebec Power Company to finance a hydro-electric development. These bonds bore a 5½ per cent. coupon rate, and were offered at 94 to yield 5.93 per cent. The next largest offering was $8,500,000 by Gatineau Power Company in 5 per cent. bonds at 92.50 to yield 5.53 per cent. Third in volume was an $8,000,000 issue by Dominion Gas and Electric Co., bearing 6½ per cent. and giving a yield of 6.90 per cent. at the offering price of 96. West Kootenay Power and Light Co., controlled by Consolidated Mining and Smelting, issued $6,500,000 of 5 per cent. bonds at 97.50, giving a yield of 5.18 per cent. In the following list of over $47,000,000 of offerings, practically all except a few minor issues were limited to the first half of the year:

Date 1931	Issue	Interest Rate	Term Years	Amount	Offering Price	Basis
Jan.	Maclaren-Quebec Power Co.	5½%	1961	$12,000,000	94.00	5.93 %
Feb. 10	West Kootenay P. & L. Co. Ltd.	5 %	Mar. 1, 1956	6,500,000	97.50	5.18 %
Mar.	Notre Dame Hospital of Montreal	...	1-20	1,250,000		
"	British Columbia Pow. Corp.	5 %	Mar. 1, 1960	4,000,000	96.00	5.25 %
"	Gatineau Power Co.	5 %	June 1, 1956	8,500,000	92.50	5.55 %
"	St. Luke's Hospital	5½%	10	1,250,000	100.00	5.50 %
Apr. 9	Ogilvy Realty Corp.	5½%	1961	1,250,000		
"	Manitoba Power Co.		July 1, 1932	1,000,000	99.50	6.13 %
May	Dom. Gas. & Elec. Co.	6½%	July 1, 1945	8,000,000	96.00	6.90 %
June	Ottawa Light, Heat & Power Co. (additional)	5 %	30 ser. "A"	1,000,000	100.00	5.00 %
"	B.C. Telephone Co.	5 %	30	2,500,000	100.00	5.00 %

National Service Loan Result, $221,000,000. Following upon the Conversion Loan which was floated early in May, 1931, as a result of which some $643,000,000 out of a total of four loans maturing in 1931, 1932, 1933 and 1934 to an amount of $1,084,323,350 was converted into new Dominion Government bonds, an offering of $150,000,000, termed the "National Service Loan," in November, met with remarkable success. This was in the form of an issue of 5 per cent. bonds of two maturities, one of five years, offered at 99¼, to yield 5.17 per cent., and a ten-year maturity, offered at 99, to yield 5.13 per cent. These were the highest yields of any Dominion bonds offered since 1923, and reflected the decline in Government bond prices since September and the corresponding rise in yields. A country-wide selling campaign was inaugurated, with hundreds of financial houses offering these bonds to their clients. Three days after the issue came before the public a spectacular form of publicity was carried out in a nation-wide appeal for support of the loan over the radio, in which the Prime Ministers of the nine Provinces spoke in succession, with Sir George Perley, as acting Prime Minister of Canada, concluding the series of appeals. The response was immediate and very generous with $40,000,000 subscribed during the first day and $100,000,000 in the first three days. In display advertisements the Government declared that "the proceeds of this loan will be used to promote the economic and financial welfare of Canada," and the appeal concluded "Let Your Dollars Serve Canada." Among the largest subscribers were the Canadian Pacific Railway Company and the Sun Life Assurance Company of Canada, $5,000,000 each; Canada Life Assurance Company, $2,000,000; Confederation Life Association, $1,000,000; T. Eaton Company, Limited, $1,000,000; Great West Life Assurance Company, $3,000,000; Imperial Life, $1,000,000; Imperial Oil, Limited, $3,000,000; Manufacturers Life, $2,000,000; Mutual Life of Canada, $2,000,000; North American Life, $1,000,000; New York Life, $1,000,000; and Royal Insurance Company, $1,000,000. The final response reached $221,000,000. The entire amount was accepted by the Department of Finance but the assurance was given that not more than $150,000,000 would constitute an addition to Canada's Net Debt. Immediately after the offering the two groups of bonds were listed on the Canadian stock exchanges as Conversion Loan of 1936 and Conversion Loan of 1941, respectively.

In dealing with this transaction in the Budget Speech, the Minister of Finance, Hon. Edgar N. Rhodes, in the House of Commons on Apr. 6, 1932, stated that "the accepted over-subscription was $71,198,200, the total issue being $221,198,200, of which $79,535,200 was for the 1936 maturity and $141,-

663,000 for the 1941 maturity." Mr. Rhodes added that the total number of subscriptions was 109,000, indicating that the loan was widely distributed. He continued: "While the banks made application for $30,000,000 the Government took the view that it was in the national interest to give the preference to small investors; therefore, when subscriptions far exceeded the $150,000,000 offering, the banks were asked to withdraw their applications." The fact that the loan was distributed amongst a large number of small investors was indicated by the Government record (contained in the Budget Speech) covering the distribution of subscriptions.

	Number	Amount
Subscriptions of less than $ 1,000	55,761	$ 21,629,900
Subscriptions of $ 1,000 to $ 5,000 inclusive	48,649	88,889,900
Subscriptions of $ 5,100 to $10,000 inclusive	2,937	24,106,900
Subscriptions of $10,100 to $25,000 inclusive	1,013	18,154,200
Subscriptions of $25,100 to $50,000 (a) inclusive	310	12,815,900
Subscriptions of over $50,000 (a)	241	52,918,200
Unallocated	...	2,683,200
	108,911	$221,198,200

(a) Largely made by institutions.

Bond Offerings First Half of 1932. Government and municipal, and the small amount of corporation financing that developed during the first half of 1932, was featured by calls upon the domestic market, with New York effectually shut out owing partly to adverse exchange (Canadian dollar) and partly to unfavourable sentiment towards all outside securities that prevailed in that market for the greater part of the half-year. Early in January the Province of New Brunswick made an offering of $5,062,000 of 20-year 5½ per cent. bonds at 97 and accrued interest to yield slightly over 5.75 per cent. On Jan. 18 the City of Montreal made issues of $3,770,000 of 4-year bonds, and $11,456,000 of 10-year bonds, both at 100 and accrued interest, to yield a straight 6 per cent. On Jan. 26 the Province of Ontario made an offering of $5,000,000 3-year 6 per cent. bonds at 100 to yield 6 per cent., and $20,000,000 of 5½ per cent. bonds, of a 15-year maturity, at 96 and accrued interest, to yield 5.90 per cent.—the latter the first breaking away since the beginning of the year from a yield basis of 6 per cent. On Feb. 18 the Province of British Columbia offered $5,000,000 of 6 per cent. 15-year bonds at 95.25 and accrued interest. This provided a yield of 6½ per cent., which was to be repeated on several occasions later by Provincial Governments, but in the end was to prove the peak of yields in the depressed bond markets of Canada during 1931 and the early part of 1932. On Feb. 29 the Province of Alberta made an issue of $5,000,000 on exactly similar terms, again with a yield of 6½ per cent. A municipal issue followed, $2,000,000 of 6 per cent. 10-year bonds by the City of Winnipeg at 97.50, to yield 6.35 per cent. The third Western Province to come into the market was Saskatchewan with an offering of $4,000,000 of 20-year 6 per cent. bonds, offered at 94.45 and interest, —again to provide a yield of 6½ per cent. On Mar. 21 the City of Toronto offered $15,299,000 of 5½ per cent. serial debentures, maturing between 1933 and 1962, inclusive. This offering had the advantage of a bond market that was improving and the yield basis on this occasion was down to 5.70 per cent. On Apr. 27 the City of Hamilton offered $2,560,328 of 6 per cent. serials, maturing between 1933 and 1962, with the shorter-term bonds giving a straight 6 per cent. yield and those between 1950 and 1962 offered at 100.50 or slightly below 6 per cent. Prince Edward Island offered $1,000,000 of 6 per cent. 15-year bonds on May 2 to yield 6 per cent. The Province of New Brunswick appeared a second time, on May 17, with $5,000,000 of 18-year 5½ per cent. bonds, but the yield on this occasion, at 95.60, was 5.90 per cent., the market not being as strong as early in January, when it financed on a yield basis of 5.75 per cent.

An essay into the London market, where little Canadian financing had been done since before the War, was made in May (1932) when underwriting was completed for an issue of £1,500,000 of 5 per cent. registered stock of the

The maturity was 35 years. The Province of Alberta followed in June with an offering of £1,000,000 of 5 per cent. registered stock of a maturity also of 35 years. This was offered at 98 as compared with British Columbia's price of 99. While these bonds sold slowly at the time, the advance in bond levels at the end of June and early in July carried both issues to several points above par, with an indicated yield of considerably under 5 per cent.

Among other issues made in the first half of 1932 were: City of Halifax, $300,000 of 6 per cent. 5-year bonds, to yield 6 per cent.; City of Ottawa, $3,151,607 of 5½ per cent. bonds, portions due in 1941, 1946, 1951 and 1961, with yields ranging from 5.85 per cent. for the shorter maturities to 5.67 per cent. for the issue maturing in 1961; Montreal Protestant Central School Board, $1,000,000 of 6 per cent. 5-year bonds at 99.75, to yield 6.05 per cent.; City of Montreal, in June, $9,415,500 of 6 per cent. bonds due in 1940 and 1944, respectively, at 100 to yield a straight 6 per cent. Besides these government and municipal issues there were two major examples of Corporation financing in the first half of 1932, both, those of public utilities. On Feb. 11, Shawinigan Water and Power Co. offered $6,000,000 of 5-year 6 per cent. secured notes at 97¾, to yield slightly over 6½ per cent. The Canadian Pacific Railway Co. on March 18 offered $12,500,000 of convertible 10-year 6 per cent. collateral trust bonds, at 100, to provide a straight yield of 6 per cent. A feature of this bond of the Canadian Pacific, not carried by any other of its securities, was the privilege of converting into common stock of the company at any time between Sept. 15, 1932, and Sept. 15, 1937, on a basis of 4 shares of stock for each $100 principal amount of the bonds. Later on, as the stock of the Company, after slipping down to 8½, steadily recovered to around 22¼, the bonds rose with the general advance in the market to between 108 and 109.

The total of offerings of Canadian bonds in the first half of 1932 was greatly restricted due to the United States market not being available, and uncertain price movements of domestic bonds. The total was approximately $161,000,000, as compared with $969,512,861 for the first half of 1931 (including the Conversion Loan of $643,000,000), and with $363,000,000 for the first six months of 1930. Comparative records by months stand as follows:

	1932	1931	1930
January	$ 45,937,086	$120,349,621	$ 44,146,499
February	21,270,069	26,909,955	58,567,978
March	35,724,177	43,302,612	59,869,676
April	12,074,388	56,128,900	29,385,168
May	25,338,153	670,586,326	112,330,015
June	19,731,944	52,235,397	58,944,483
TOTALS	$160,075,817	$969,512,811	$363,243,819

Investment Bankers' Association of Canada. At the Annual Meeting of the Investment Bankers' Association of Canada, held at Lucerne-in-Quebec on June 23, 24 and 25, 1932, the retiring President, A. H. Williamson, declared that, early in 1932, through the co-operation of investment bankers throughout the Dominion "a plan of orderly financing of Provincial and Municipal securities was begun, with the result that during the first five months of the year a very substantial amount of such financing was carried out successfully, and the position of Canada's financial institutions and taxing bodies strengthened. The achievement of the programme of internal financing, followed by the over-subscription of the National Service Loan, has occasioned favourable comment in both London and New York." The Chairman of the Central District stated that the bond market "has already had a much greater and more precipitous reaction than was the case eleven years ago. It has dropped from approximately a 4.40 basis to a 5.90 basis on Provincial securities as opposed to a drop of from approximately 5.50 to 6.60 in the 1919-21 period or—in terms of price on a twenty-year bond—approximately 12 points eleven years ago as compared with over 18 points to-day. Bond prices have declined to such a point that the investors and salesmen have an opportunity to-day of purchasing Canada's highest grade securities at yield rates which come seldom in our lifetime. In fact, in the history of

the oldest member of the bond fraternity, this is only the second time that bond prices have been as attractive." J. G. Weir, Toronto, was elected President for the ensuing year.

Capital Reorganizations of Corporations

Any sharp and prolonged decline in business activity and in earnings of corporations, following upon a period of inflated business and profits, usually brings in its train a number of reorganizations of capital structures. In some instances payments of dividends have been too generous, especially where—as was the case with many Canadian corporations—splits in stock were followed by increased disbursements to shareholders. In this manner the liquid assets of companies gradually became depleted, and when earning power was radically cut down, not only had dividends to be reduced or passed entirely but frequently the maintenance of bond interest became endangered. The industry that was most severely affected in this respect during 1931-32 was that of newsprint. The movement began with Canada Power and Paper Corporation, where a drastic change in capitalization was forced through the inability of the Company to earn and pay its first mortgage bond interest. Abitibi Power and Paper Company also passed its bond interest, as did Price Bros. and Company, Lake St. John Power and Paper Company, Great Lakes Paper Company, Fraser Companies, Donnacona and others. Not only was there a considerable decline in the sale of newsprint from the peak reached in 1929, but prices were sharply reduced—from $55 a ton for 1930 (f.o.b. Three Rivers) to $50 early in 1931; to $46 at the beginning of 1932 and finally to $38 in the Fall of 1932, a reduction of $17 a ton or 30 per cent. within less than two years. The chief features of the collapse in the newsprint industry and one or two other similar developments are dealt with below in detail.

Abitibi Power and Paper Company. The first public signal of distress of this Company occurred on June 1, 1932, when the regular half-yearly interest on $48,267,000 of 5 per cent. first mortgage bonds, due 1953, was not paid. At the time, the Company was facing a heavy obligation not only for bond interest but to provide some $4,000,000 to $5,000,000 required to complete the construction of a hydro-electric plant under a guarantee to a subsidiary, Ontario Power Service Corporation. Negotiations were being continued at the time between the directors of Abitibi and members of the Ontario Government, looking to the latter's assuming on behalf of the Hydro-Electric Power Commission of Ontario responsibility for supplying funds to complete the power plant and thus relieve Abitibi. With this heavy liability not disposed of, it was deemed best to postpone payment of interest on the Abitibi bonds that would have required upwards of $1,250,000. When the 60 days of grace expired on Aug. 1, a Protective Committee was formed on behalf of the bondholders with Joseph P. Ripley, of the National City Company, New York, as Chairman; and another Committee representing the preferred shareholders of Abitibi, with Lieut.-Col. Herbert Molson, of Montreal, as Chairman. Holders both of the bonds and of the preferred stocks were urged to deposit their certificates with the Committees with a view to protecting the interests of the two groups. The next step was the appointment of G. T. Clarkson, Toronto, as receiver and manager of Abitibi, on application to the Ontario Courts by Montreal Trust Company as Trustee for the first mortgage bondholders. In a statement issued by directors of Abitibi on Aug. 1, it was declared that "production and deliveries of newsprint for the first 7 months of 1932 ending July 31 were the lowest in the Company's history." In spite of this, current bank loans had been reduced from $3,400,000 as of Dec. 31, 1931, to $300,000 as at July 31, 1932.

Ontario Power Service Corporation. This Company was organized in 1930 as a subsidiary of Abitibi Power and Paper Company, to develop power at Abitibi Canyon in Northern Ontario. A contract to take 85,000 h.p. was entered into with the Hydro-Electric Power Commission of Ontario, Abitibi to take the balance of a final development of 275,000 h.p. Interest on $20,000,000 of 5½ per cent. 20-year bonds was defaulted on July 1, 1932. On

July 24 announcement was made by the Prime Minister of Ontario that the Ontario Government would offer the bondholders of Ontario Power Service $18,000,000 of 20-year debentures of the Hydro-Electric Power Commission, to bear interest at 3½ per cent. for the first 5 years, 4 per cent. for the second 5 years, and 5 per cent. for the final 10 years. The offer was subject to 90 per cent. of the bonds being deposited on or before Oct. 1. It was generally understood that if the offer were complied with Abitibi would surrender its equity in Ontario Power Service and be relieved of the capital liability.

Price Bros. and Company. The Report of this Company, issued late in May, 1932, and covering the fiscal year ended Feb. 29, showed a very sharp reversal in earning power, a deficit, after bond interest and dividends, of $2,627,166 being established in place of a surplus the previous year of $77,247, thereby reducing a profit and loss surplus from $2,802,421 to $175,254, and causing a shrinkage in net working capital from $4,575,084 to $1,267,225 during the year 1931-32. As a result the common dividends had been discontinued for the final quarter and preferred dividends omitted for the first quarter of the new year. It became evident that some form of reorganization was imperative, as the earning power for the current year (1932-33) was certain to be greatly reduced even over that of the previous year. At the Annual Meeting held in Quebec City on June 4, Lord Beaverbrook, who was a large customer of the Company and held a considerable amount of the stock, appeared and outlined a plan of reorganization that he was seeking to work out. He suggested that the sinking fund should be omitted for a time, and that Duke-Price Power Company might be willing to accept income debentures for the next two years in payment of power supplied Price Bros., amounting in that time to about $2,000,000. His brother, Allan A. Aitken, was chosen President in succession to Col. John H. Price, who had resigned to become Vice-President in charge of operations. Later on, Lord Beaverbrook announced that he had been unable to carry out the proposed plan and a Bondholders' Protective Committee was organized in August (1932). Bondholders were asked to deposit their bonds with the Committee in case action should be decided upon, when interest became legally in default on Oct. 29. Shortly afterwards a Protective Committee of the preferred shareholders with Canadian and London interests was appointed.

Donnacona Paper Company. This Company was controlled by Price Bros. and Company but for the year 1931 showed a very serious decline in earnings with bond and debenture interest not covered after depreciation. In June, 1932, announcement was made of a plan of reorganization for the purpose of avoiding foreclosure or liquidation of the Company. Under the plan, common shareholders were to receive 1 share of "B" common in a new company for 10 shares of the old. The debenture holders were to receive 2 shares of new common ("B") for each $100 of debentures. The bondholders were to be allotted 18½ shares of "A" common for each $1,000 of bonds, retaining, however, their bonds. It was provided that two years' interest on the bonds should be cancelled and the next two years' interest paid only if earned. Sinking fund payments due Feb. 1, 1932, to Feb. 1, 1935, were to be cancelled, and a delay in payments for the next two years was permitted. A debt of $804,393 owing to Price Bros. and Company was to be paid on the basis of 2 shares of "B" common for each $100 of debt. This plan was finally ratified by the various classes of holders of securities.

Fraser Companies. Failure to meet interest on the debentures of Fraser Companies due Apr. 1, 1932, and inability to provide funds to meet notes amounting to $7,500,000 that were falling due on July 1, and with a steady shrinkage in earnings, forced a capital reorganization of this Company. Difficulties were experienced in securing quorums of the various holders of securities and several postponements of meetings called to ratify portions of the plan of reorganization had to be made. Finally, however, ratification was given. First mortgage bondholders agreed to suspension of interest for two years, and three, if necessary. Holders of secured notes of Fraser Companies received in exchange new 6 per cent. first mortgage bonds of the Restigouche Company, a subsidiary, amounting to $3,000,000, with the first

two years' interest suspended. Holders of 6½ per cent. debentures of Fraser Companies, $6,000,000 outstanding, were to be given voting trust certificates representing common stock of Fraser Companies. New first mortgage bonds of not more than $2,000,000, with a prior lien, might be issued to provide working capital. Common shareholders were given 10 per cent. of new stock. First mortgage bondholders of the Restigouche Company received 6 per cent. new bonds in exchange for 5½ per cent. bonds. Similar provision was made for suspension of interest on the Restigouche bonds.

Lake St. John Power and Paper Company. This Company, producing newsprint, and a subsidiary of the St. Lawrence Corporation, was unable to meet half-yearly interest due on its first mortgage, 6½ per cent. bonds ($5,000,000 outstanding) due on Aug. 1, 1932, and it was understood that the National Trust Company, as Trustee for the bondholders, would call a meeting of bondholders for the formation of a Bondholders' Protective Committee and the drawing up of some plan of capital reorganization.

Great Lakes Paper Company. This Company, which went into the hands of a receiver in July, 1931, issued a statement in June, 1932, indicating bank claims of $2,259,007 as at Dec. 31, 1931, with claims of affiliated companies of $277,221 and general creditors, $406,627. A Protective Committee was looking after the interests of the bondholders.

Atlantic Sugar Refineries. This re-organization was not forced by financial difficulties, as in most other cases, but as a method of relieving the Company of about 11½ years of arrears on preferred dividends. A new Company, "General Sugar Refineries" was formed which made an offer of $30 a share cash for the 78,889 shares of common stock of Atlantic Sugar Refineries. To holders of 11,111 shares of preferred stock, one share of "A" 7 per cent. cumulative preference stock of General Sugar and $82 in principal amount of 10-year debenture stock of General Sugar, bearing 5 per cent. interest, were offered for each share of Atlantic Sugar preferred. The debentures were equivalent to funding the arrears of interest on Atlantic Sugar preferred (of same, $82). This offer was afterwards accepted by the shareholders of Atlantic Sugar.

Asbestos Corporation. Following upon the failure of Asbestos Corporation to meet interest on its first and its general mortgage bonds, a Bondholders' Protective Committee drew up a plan of reorganization (Jan. 27, 1932) that afterwards was accepted by the various classes of security holders. First and refunding mortgage bonds ($2,361,000) were to be replaced by new income bonds (with interest payable only if earned), and one share of capital stock for each $100 of bonds; general mortgage bondholders ($4,132,300) were to receive 1½ shares of capital stock for each $100 of bonds; preference shareholders were to receive 1½ shares of capital stock for each 10 shares of preferred, and common shareholders were to receive 1¼ shares of capital stock for each 50 shares of common. This reorganization was the result of four successive years of declining sales and reduced prices in the asbestos industry. In this period the Company's preferred stock had declined from $90-$100 a share to around 60 cents a share.

Algoma Steel Corporation. Failure to show even operating profits in 1931 and 1932 forced this Company to default interest on $5,800,000 of "purchase money" bonds, and also on $14,943,000 of first and refunding bonds. As interest payments on $5,200,000 of first mortgage bonds of the parent Company, Lake Superior Corporation, were dependent mainly on revenue received from the purchase money bonds of Algoma Steel, this interest also was defaulted. Late in June, 1932, receivers and managers were appointed for Algoma Steel Corporation—Sir William Stavert, W. C. Franz, and Alex. Taylor. For the fiscal year ended June 30, 1932, Algoma Steel Corporation's earning power was cut down sharply by absence of its chief source of profits, steel rail orders—this, in turn, the result of greatly reduced revenue for the C.N.R. and C.P.R.

Great Lakes Power Company Limited. In October, 1931, announcement was made of the consolidation of Great Lakes Power Company Limited

and the Algoma District Power Company Limited into a new company to be known as "Great Lakes Power Company Limited," with assets of $10,934,-978. The operations of the group would include the development of electrical energy at Sault Ste Marie and Michipicoten Falls, Ont., to the extent of 54,700 h.p. and 12,000 hydraulic power, to be sold mainly under long term contracts to Abitibi Paper Company, Algoma Steel Corporation, Algoma Central and Hudson Bay Railway Company and the City of Sault Ste Marie, Ont. Great Lakes Power Company was controlled by Middle West Utilities Company of Canada Limited, which, in turn, was the Canadian subsidiary of Middle West Utilities Company with headquarters at Chicago. This last-mentioned Company was placed in receivership, with Samuel Insull, Edward N. Hurley and Charles A. McCulloch of Chicago as Receivers. In June Samuel Insull resigned as a co-Receiver of the Company.

Consolidated Paper Corporation. The reorganization plan for Canada Power and Paper Corporation, dealt with in *The Canadian Annual Review, 1930-31,* was declared effective on Aug. 10, 1931. It provided for the exchange of various securities of the constituent companies of Canada Power and Paper Corporation, and for its own debentures and stock, for new securities of Consolidated Paper Corporation, the name adopted by the newly organized Company. The following were chosen Directors of the Company for five years: L. J. Belnap (President); F. G. Daniels, Montreal; Norman J. Dawes, Montreal; Hon. C. A. Dunning, Montreal; Col. H. D. Lockhart Gordon, Toronto; Ross H. McMaster, Montreal; E. A. Macnutt, Montreal; John J. Rudolf, New York; and Charles F. Sise, Montreal. Names submitted as additional Directors to be appointed by the shareholders were: Harold Crabtree; W. H. Howard, K.C.; Beaudry Leman; Charles E. Neill (afterwards deceased); and Arthur B. Purvis, all of Montreal. It was stated that the first report of Consolidated Paper Corporation would cover the fiscal year ending Mar. 31, 1933.

Beauharnois Power Corporation. Failure of the Company to meet six months' interest due on $30,000,000 of 6 per cent. collateral trust bonds on Apr. 1, 1932, led to the organization of a Protective Committee on Apr. 3 with T. A. Russell of Toronto as Chairman. A meeting of bondholders was called at Montreal on June 10 at which a Committee of twelve members was formally appointed. It was understood that the Committee would confer with Rt. Hon. R. B. Bennett, K.C., Prime Minister of Canada, in order to secure the continuance of guarantees by the Dominion Government to the banks on advances required to complete the installation of the initial amount of 200,000 h.p. by Oct. 1, at which date the Company was bound under contract to supply 35,000 h.p. to the Hydro-Electric Power Commission of Ontario and 25,000 to Montreal Light, Heat and Power Consolidated. At a meeting of shareholders held the previous day, and at the meeting of bondholders, financial statements as to the Company's current position and future requirements were presented by Arthur F. White, Vice-President of the Corporation. He stated that a temporary loan of $6,000,000 had been arranged with three banks, Montreal, Royal and Commerce, and the balance required for construction to date advanced by the banks on the guarantee of the Dominion Government. Total expenditures on construction so far had been $23,356,740. It was estimated that loans outstanding on Dec. 31, 1932, would be $22,417,500, the amount of banking advances at the time of the meeting being $15,991,500. It was expected that the Company by 1937, when contracts for 400,000 h.p. would be in effect, would be able to earn sufficient to meet all operating costs and interest charges, not only on the collateral trust bonds outstanding but on new first mortgage bonds of Beauharnois Light, Heat and Power Company, to be issued when the money markets were favourable.

Northwestern Power Company. On July 2, 1932, this Company found itself unable to meet the half-year's interest then due on $10,000,000 of 6 per cent. first mortgage bonds that had been issued early in 1930. Interest on these bonds was payable under option in New York as well as Canada and London, Eng. On Jan. 2, 1932, interest had been paid but in Canadian funds only. The trust deed carried a guarantee from Winnipeg Electric Company,

which controlled Northwestern Power, both as to interest and principal. Interest on the Winnipeg Electric bonds was met on July 2 and also interest on the bonds of another subsidiary, Manitoba Power Company. Owing to the shutting down of Manitoba Paper Company and the decline in power requirements in Winnipeg and Manitoba generally, the plant of Northwestern Power was closed down early in 1932. In July a Protective Committee for the bondholders was organized with J. B. Woodyatt as Chairman. At the time action was announced by the Prudential Trust Company for the organization of what was termed an "independent" Committee.

"Dividend" Profits Cut in Two. A fair conception of the extent to which the volume of business, and the net earnings of Canadian industrial corporations were reduced in 1931 as compared with 1930—which in turn was substantially lower than in 1929—may be obtained from a comparison of results in the case of a group of industrials, representing a variety of activities. In the list given below gross earnings of twenty well-known companies declined from a total of $448,729,065 for 1930 to $359,286,285, or by $89,442,780, close to 20 per cent. It is when overhead costs—fairly constant and persistent in bad business as well as good—are deducted and the balances available for common dividends are figured, that the real influences on earnings in relation to securities, and dividends, are revealed. This total for 1930 was $97,559,778; for 1931 it had shrunk to almost 50 per cent., or $48,836,645. Hence it is not surprising that, among corporations referred to below, Abitibi was forced to pass its preferred dividends (and later its bond interest); Canada Cement Co. passed its preferred dividend; Canadian Pacific cut its common stock dividends in two, and in the Summer of 1932 deferred payments entirely (after over 30 years of uninterrupted disbursements); Canadian Car and Foundry gradually cut its common dividend from $1.75 to a yearly rate of 60 cents; Consolidated "Smelters" omitted first a bonus of $10 a share, then regular dividends of $2.50 per annum, and finally a "stock" dividend that had replaced cash payments; Distillers Corporation-Seagrams passed its common entirely; Dominion Bridge made a sharp reduction; Ford of Canada omitted payments on "A" common; International Nickel steadily reduced and finally abandoned payments; Massey-Harris omitted preferred, after a few quarters of common payments; Ogilvie Flour Mills dispensed with handsome bonuses; Shawinigan cut from $2.50 to $2 and finally to $1 a share, and Steel Company of Canada was able to maintain $1.75 on preferred and common—in spite of creating deficits to do so—only because its liquid position was strong through a conservative dividend policy, and millions of dollars of reserves set aside over a long period of years.

	Gross Earnings		Avail. for Com. Dividends	
	1931	1930	1931	1930
Abitibi	*$5,199,946	*$7,374,337	$284,040	$513,835
Bell Telephone	40,926,162	41,360,925	5,791,981	5,416,328
Canada Cement	*5,182,422	*5,187,494	190,441	202,282
Can. S.S. Lines	9,558,809	11,547,062	†2,210,462	†1,557,792
Canadian Pacific	142,337,648	180,990,804	8,423,775	33,376,093
Canadian Car	*896,786	*3,104,867	236,432	2,068,119
Consolidated "Smelters"	15,670,946	21,613,751	†800,031	2,378,351
Dist. Corp.-Seagrams	*2,767,596	*3,819,349	2,265,752	3,404,592
Dom. Bridge	*2,164,852	*2,383,814	1,657,816	1,983,814
Dom. Stores	25,200,149	24,118,586	522,631	519,907
Dom. Textile	13,854,637	15,307,758	1,197,714	1,367,516
Ford of Canada	21,596,851	45,858,087	†1,384,757	3,157,877
Imperial Oil	*20,131,615	*20,559,604	18,226,895	19,020,360
International Nickel	*11,055,793	*19,006,841	3,160,559	9,836,140
Massey-Harris	*†1,523,149	*896,027	†4,647,909	†2,851,935
Montreal Power	25,410,776	23,484,080	9,766,921	8,943,584
National Breweries	*1,981,630	*2,456,699	1,245,452	1,736,060
Ogilvie	*755,149	1,127,436	615,149	987,436
Shawinigan	13,693,195	14,954,075	4,150,438	5,770,670
Steel of Canada	2,424,472	3,577,469	143,808	1,286,541
TOTALS	$359,286,285	$448,729,065	$48,836,645	$97,559,778

* Operating profit, not gross revenue. † Deficit.

Commercial Failures in Canada. While there was a decrease in the number of commercial failures reported in Canada for 1931 as compared with 1930 (records of the Dominion Bureau of Statistics) there was an increase in the amount of defaulted liabilities. The actual number compared as 2,216 with 2,402 for 1930, 2,167 for 1929, and 2,037 for 1928. Liabilities, however, amounted to $52,552,900 for 1931 as against $48,164,065 in 1930, $38,747,638 for 1929 and $32,455,437 for 1928. In number of failures the Maritime Provinces, Ontario and British Columbia showed an increase while Quebec and the Prairie Provinces showed a decrease. A notable feature of the classification of failures for 1931 and 1930 was the increase in "financial" failures, 29 being recorded in 1930 and 21 in 1931 as against 5 in each of the preceding years 1929 and 1928, none in 1927, only 1 in 1926 and 5 in 1925. Trade failures amounted to 1,102 as against 1,204 in 1930; transportation and public utility, 42 as against 48; manufacturing, 464 compared with 488, and agriculture, 125 as against 115. So far as the Provinces were concerned, Quebec led in number with 795 compared with 793 for Ontario, 152 for Saskatchewan, 131 for Alberta, 109 for Manitoba, 104 for British Columbia, 74 for New Brunswick, 51 for Nova Scotia and 7 for Prince Edward Island. In total liabilities involved in the failures, Quebec led with $23,567,067 as against $15,920,704 for 1930, while Ontario's total was $16,083,555 for 1931 as compared with $21,025,069 for 1930. British Columbia stood third in liabilities for 1931 with $3,502,867, followed closely by Manitoba with $3,476,729. The following table covers records for the various Provinces for 10 years:

	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Total	Liabilities
1931.....	7	51	74	795	793	109	152	131	104	2,216	$52,552,900
1930.....	3	61	45	1,011	776	113	146	152	95	2,402	48,164,065
1929.....	1	71	61	927	762	91	84	101	69	2,167	38,747,638
1928.....	4	90	56	767	758	103	63	126	70	2,037	32,455,437
1927.....	4	66	74	658	681	97	54	135	72	1,841	30,634,469
1926.....	4	63	74	654	655	84	68	113	58	1,773	32,291,125
1925.....	4	71	67	758	721	85	77	139	74	1,996	32,153,697
1924.....	3	69	67	907	835	100	131	150	57	2,319	48,105,397
1923.....	16	155	67	1,181	970	258	280	323	158	3,408	61,617,527
1922.....	15	121	131	1,589	1,058	284	272	299	156	3,925	63,692,219

The cumulative total of commercial failures for the first six months of 1932 (Dominion Bureau of Statistics) was 1,237, as compared with 1,109, 1,205 and 1,153 for the same periods of 1931, 1930 and 1929 respectively. Defaulted liabilities were $21,221,450 compared with $22,853,013 for the first half of 1931; $26,408,325 for 1930, and $21,025,946 for the 1929 period.

Banking Figures As A Reflection of Business Depression

The reports of the chartered banks of Canada to the Minister of Finance at Ottawa, covering conditions existing at the end of each month, provide a regular and fairly comprehensive picture of the relation of these institutions to business activity throughout Canada. A table is presented herewith covering records at the end of June, 1932, at Dec. 31, 1931, at June 30, 1931, and also the high levels reached in connection with the various items during 1929 when the business boom reached its peak in Canada. Generally speaking, declines are shown with the exception of holdings of securities. This was a direction in which the banks were forced to employ surplus funds created by the falling off in the demand on the part of industry and commerce, and bond and stock market operations. Commercial loans at the end of June, 1932, of $1,037,000,000 showed a decline for the six months of between $45,-

000,000 and $46,000,000, and a drop of nearly $90,000.000 in the twelve months. There was a very sharp reduction also ($436,000,-000 or 30 per cent.) as compared with three years previous, when a peak of $1,473,000,000 was recorded (October, 1929). Commercial loans outside of Canada showed a reduction for the six months of some $13,500,000, for the year of $39,500,000, and for the three years of $67,000,000. Notes in circulation showed a steady decline, another index of declining business, although not nearly as sharp a reduction during the twelve months ended June 30, 1932, as in the previous two years. The decline from the peak of 1929 was a little over $60,000,000.

The persistence of savings deposits during the long-continued business depression was one of the favourable features of the bank statements. In the face of increased unemployment and a lower average scale of wages, there was actually an increase during the first half of 1932 of over $13,000,000. Between the peak of 1929 and June 30, 1931, there had been a decline of only $20,000,000, or barely 1½ per cent. Between the high level of 1929 and June 30, 1932, the reduction was less than $100,000,000, or under 7 per cent. Business or "demand" deposits, as might have been anticipated, showed a much greater decline, being down nearly $78,000,000 for the first half of 1932, down about $112,000,000 for the year, and close to $300,000,000 for the three years.

In the year ended June 30, 1932, holdings of government and other securities by the banks showed a tendency to decline after a sharp increase from 1929. In that year requirements for commercial and call loans absorbed most of the surplus funds of the banks but as these loans fell off the banks were forced to invest in securities in order to secure revenue. The total holdings of securities at the end of June, 1931, were $694,974,138; at Dec. 31, 1931, $694,232,678; and at June 30, 1932, $669,331,600. The total at the end of June, 1932, was still up nearly $172,000,000 from the peak of 1929.

As was the case in New York—but to a much smaller extent, call loans in Canada declined both with the lessened activity in the stock market and with the shrinkage in values of securities. In the latter half of 1931 there was a drop of $47,000,000 and a further decline of almost $25,000,000 for the first half of 1932. Between the peak of 1929 with a total of $280,805,686—the highest ever registered in Canada—to the amount of $109,868,315 shown on June 30, 1932, there was a decline of almost $171,000,000, or over 60 per cent. Call loans outside of Canada from the peak of 1929 registered a much greater decline, but most of this was made by June 30, 1931, the drop since then being less than $35,000,000. The following table represents fairly the changed situation of the Banks during the period indicated:

	June 30, 1932	Dec. 31, 1931	June 30, 1931	Highs of 1929
Notes in circulation	$ 136,295,915	$ 141,013,382	$ 142,558,937	$ 196,894,815*
Savings Deposits	1,373,265,341	1,360,042,129	1,450,356,954	1,470,512,260*
Demand deposits (Canada).	488,937,580	566,684,565	600,747,340	785,768,850†
Deposits outside Canada...	308,220,892	310,686,314	355,929,759	425,800,616*
Government securities	462,309,745	477,912,303	461,611,619	344,119,572†
Municipal and foreign securities	152,038,571	154,109,577	156,950,624	97,298,763*
Railway securities, etc.	54,983,284	62,010,798	76,411,895	56,210,889*
Call loans in Canada.....	109,868,315	134,730,957	181,643,728	280,805,686*
Call loans outside	73,666,758	83,124,317	108,498,819	313,381,231*
Commercial loans (Canada)	1,037,313,917	1,082,097,360	1,127,038,209	1,473,427,797†
Commercial loans outside ..	174,895,690	188,357,012	214,396,426	241,866,294†
Loans to Prov. Govts.....	34,338,040	45,557,589	16,197,824	24,975,672
Loans to municipalities	139,216,545	125,689,588	119,405,539	104,067,669
Non-current loans	12,506,663	10,327,706	9,016,483	8,064,865*
Advances under Fin. Act...	40,500,000	46,500,000	13,500,000	90,150,000†
Bank premises	79,895,219	79,785,470	78,811,002	76,293,333*
TOTAL ASSETS	$2,848,177,383	$2,997,672,792	$3,128,745,241	$3,710,695,085†

* As of Sept. 30. † As of Oct. 31.

Reduction in Banking Profits. As was the case with most industrial corporations, Canadian banks showed reduced profits for the year 1931 as compared with 1930 and 1929. In the tables appearing below it will be seen that the rate of decline in profits was slower during 1930 than during 1931, the reduction from $28,215,302 for 1929 to $26,715,584 in 1930 being only $1,499,718, whereas the decline in 1931 from 1930 (from $26,715,584 to $23,478,875) was $3,236,709. The earnings in 1931 were 87.9 per cent. of those of 1930 and 83.2 per cent. of the 1929 total, a decline in two years of 16.8 per cent. The only statement appearing during the first half of 1932 was the regular semi-annual, issued by the Bank of Montreal covering the 6 months ended Apr. 30. In this the downward trend was still evident: the Bank's Profits for the 6 months amounted to $2,589,292, as compared with $2,771,753 for the corresponding period of the previous year; Call Loans in Canada were $5,645,610 as against $9,243,922 on Oct. 31, 1931, and as compared with $11,347,487 on Apr. 30, 1931; Call Loans outside of Canada had decreased from $34,040,768 on Apr. 30, 1931, and from $28,252,802 on Oct. 31, 1931, to $20,262,324 on Apr. 30, 1932, and the Bank's holdings of securities amounted to $229,502,620 as compared with $217,629,428 on Apr. 30, 1931. After deducting $228,316 for Dominion Government taxes, there remained a balance of $2,360,976 or more than sufficient to meet dividend requirements for the 6 months (6 per cent.) amounting to $2,160,000. After reserves for Bank premises, Profit and Loss Balance increased from $1,103,427 as at Oct. 31, 1931, to $1,204,403 as at Apr. 30, 1932. The liquid position of the Bank was well maintained with immediately available assets amounting to $385,483,225 or 57.34 per cent. of total liabilities to the public, and "cash" assets to $78,491,119. Earnings per share of all Canadian banks naturally were considerably reduced in 1931. The Bank of Nova Scotia still held the lead as it had for many years past in earnings per share, just as its dividend payments were the highest per share of any Canadian chartered bank. As a type of the reductions in earnings per share, the Bank of Montreal was down in the two years from $19.93 to $13.25; Bank of Nova Scotia from $26.61 to $20.50; and Bank of Toronto $21.59 to $16.81. The following is a record of the profits of the individual banks for the periods indicated as well as earnings per share:

Name of Bank	Profits			Earned Capital Stock		
	1931	1930	1929	1931	1930	1929
Montreal (a)	$ 5,386,379	$ 6,519,032	$ 7,070,892	$13.25	$16.83	$19.93
Nova Scotia (b)	2,579,802	2,535,643	2,761,117	20.50	21.09	26.61
Toronto (c)	1,168,915	1,339,872	1,453,436	16.81	19.66	21.59
Provincial (c)	467,439	511,457	551,022	10.09	11.05	12.09
Commerce (c)	4,774,923	5,378,423	5,066,229	13.91	15.84	16.39
Royal (c)	5,448,327	6,572,627	7,145,137	13.85	17.24	19.99
Dominion (b)	1,322,287	1,409,747	1,552,808	15.87	17.57	19.68
Can. Nationale (c)	1,001,940	1,024,702	1,053,099	12.74	13.00	15.29
Imperial (a)	1,328,863	1,424,081	1,561,562	16.55	18.20	20.02
TOTALS	$23,478,875	$26,715,584	$28,215,302			

(a) Year ended Oct. 31. (b) Year ended Dec. 31. (c) Year ended Nov. 30.

A Decrease in Bank Branches. Following upon increases in the number of branch banks in Canada in 1928, 1929 and 1930, a movement to reduce the number commenced in 1931 and continued throughout the first half of 1932. This was the result of an increasing number of non-paying branches that arose out of the business depression. At the same time, a large number of branches, especially in Western Canada, were being kept open in spite of their being operated at a loss, in order to maintain service in the localities in which they were situated. Between 1928 and 1930 inclusive the number of branches operated by Canadian banks (mostly in Canada) increased from 4,103 to 4,238. During 1931 the total was reduced by 117 branches to 4,121, and a further reduction took place during the first six months of 1932 to 3,995. The totals at the end of 1931 included 320 sub-agencies of the Banque Canadienne Nationale (which were reduced to 310 by June 30, 1932), and 190 sub-agencies of the Provincial Bank (reduced to 185 by June 30, 1932). The total for the Bank of Nova Scotia, both at the end of 1931 and on June 30, 1932, included 18 sub-branches. The Royal Bank of Canada continued to lead in the total number of branches, 848 at the end of June (as against 881 six months previously), with the Canadian Bank of Commerce second—750 branches as against 771 branches on Dec. 31, 1931. The Bank of Montreal was third, with 615 branches (as against 640), and Bank of Nova Scotia fourth with 342 branches, reduced from 348 in operation as at Dec. 31, 1931. Barclays (Canada) continued with two branches, as before, in Montreal and Toronto. The reductions in branches reported for the first half of 1932 were as follows: Banque Canadienne Nationale, 7; Canadian Bank of Commerce, 1; Dominion Bank, 2; Imperial Bank, 6, Bank of Montreal, 25; Bank of Nova Scotia, 6; Provincial Bank, 3; Royal Bank of Canada, 33; and Bank of Toronto, 8. The following table shows the number of bank branches at the end of each of four years, and at June 30, 1932:

Banks	Dec. 31 1928	Dec. 31 1929	Dec. 31 1930	Dec. 31 1931	June 30 1932
Banque Canadienne Nationale	(a)566	(a)585	(a)593	(a)592	(a)575
Barclays Bank (Canada)	...	1	1	2	2
Canadian Bank of Commerce	809	800	791	771	750
Dominion Bank	132	140	144	139	137
Imperial Bank of Canada	194	203	209	(b)226	(b)220
Bank of Montreal	641	671	677	640	615
Bank of Nova Scotia	323	328	(a)355	(a)348	(a)342
Provincial Bank	(a)331	(a)334	(a)334	(a)331	(a)323
Royal Bank of Canada	885	914	901	881	848
Bank of Toronto	192	199	203	191	183
Weyburn Security Bank	30	30	30	(c)	(c)
TOTALS	4,103	4,205	4,238	4,121	3,995

(a) Including sub-branches; (b) Including Weyburn Security Bank; (c) At this date absorbed by the Imperial Bank of Canada.

Bank Debits to Individual Accounts. One of the records provided by the Dominion Bureau of Statistics that reflects the shrinkage in industrial and financial business during the year 1931 is provided by "Bank Debits to Individual Accounts," that is, the amount of cheques charged against bank accounts at the clearing house centres in 1931. This record covers a very large proportion of the total and so may be taken as fairly representative of the total at large. The aggregate for 1931 amounted to $31,586,000,000, a reduction of $5,904,800,000 as compared with the 1930 total of $37,491,000,000, and comparing with $46,670,000,000 for 1929 (the peak to date), and with $43,477,000,000 in 1928. The decline was due to a shrinkage in business activity and in speculative movements on the stock exchanges as well as in bond transactions. Another cause was the lower prices prevailing in all directions throughout 1931. Declines were general in the clearing centres, that in Montreal being 20.6 per cent. (down from $12,271,000,000 to $9,757,000,000); Toronto, down 10.8 per cent. (from $10,655,000,000 to $9,512,000,000); Winnipeg, 11.8 per cent. (from $3,712,000,000 to $3,280,000,000); and Vancouver, 21.8 per cent. (from $1,813,000,000 to $1,416,000,000). The Maritime Provinces showed a relatively favourable record with a reduction of only 7.9 per cent.; Quebec declined 19.7 per cent.; Ontario, 11.1 per cent.; the

Prairie Provinces, 17.2 per cent., and British Columbia, 22.2 per cent. Bank clearings as distinct from bank debits showed a decline for 1931 as against 1930 of 16.3 per cent., the total being down from $20,091,000,000 to $16,827,000,000. Following is a record of bank debits at the clearing house centres for 1930 and 1931:

Clearing House Centres	1930	1931	Decreases in 1931 compared with 1930	Percentages of 1931 to 1930
	$	$	$	%
MARITIME PROVINCES—				
Halifax	361,736,685	330,371,553	31,365,132	91.4
Moncton	101,018,427	87,229,007	13,789,420	86.3
Saint John	245,595,665	234,942,909	10,652,756	95.7
Total—Maritime Provinces	708,350,777	652,543,469	55,807,308	92.1
QUEBEC—				
Montreal	12,271,206,394	9,756,753,765	2,514,452,629	79.4
Quebec	744,930,005	701,258,405	43,671,600	94.1
Sherbrooke	120,921,940	92,060,809	28,861,131	76.1
Total—Quebec	13,137,058,339	10,550,072,979	2,586,985,360	80.3
ONTARIO—				
Brantford	126,813,356	106,212,582	20,600,774	83.8
Chatham	95,460,287	81,403,262	14,057,025	85.3
Fort William	78,028,739	66,540,124	11,488,615	85.2
Hamilton	831,837,930	649,599,942	182,237,988	78.1
Kingston	79,797,075	64,828,365	14,968,710	81.2
Kitchener	139,515,780	116,857,177	22,658,603	83.8
London	408,176,670	365,324,602	42,852,068	89.5
Ottawa	1,904,804,194	1,869,730,944	35,073,250	98.2
Peterborough	84,634,613	70,964,205	13,670,408	83.8
Sarnia	124,524,399	104,000,535	20,523,864	83.5
Sudbury	87,109,599	58,832,961	28,276,638	67.5
Toronto	10,654,982,452	9,512,342,450	1,142,640,002	89.2
Windsor	428,655,192	310,203,205	118,451,987	72.4
Total—Ontario	15,044,340,286	13,376,840,354	1,667,499,932	88.9
PRAIRIE PROVINCES—				
Brandon	50,605,166	39,802,614	10,802,552	78.6
Calgary	898,426,300	647,871,720	250,554,580	72.1
Edmonton	570,301,889	489,783,798	80,518,091	85.9
Lethbridge	73,734,543	49,736,330	23,998,213	67.5
Medicine Hat	37,887,826	26,122,436	11,765,390	68.9
Moose Jaw	112,897,357	79,343,948	33,553,409	70.3
Prince Albert	32,683,118	29,802,029	2,881,089	91.2
Regina	570,766,671	412,701,024	158,065,647	72.3
Saskatoon	194,543,418	143,056,796	51,486,622	73.6
Winnipeg	3,712,135,033	3,279,817,622	432,317,411	88.2
Branches of Weyburn Security Bank (a)	25,099,552	3,173,413	.....	....
Total—Prairie Provinces	6,279,080,873	5,201,211,730	1,077,869,143	82.8
BRITISH COLUMBIA—				
New Westminster	93,831,458	67,987,301	25,844,157	72.5
Vancouver	1,812,724,948	1,416,428,661	396,296,287	78.2
Victoria	415,915,085	321,383,768	94,531,317	77.3
Total—British Columbia	2,322,471,491	1,805,799,730	516,671,761	77.8
Grand Total for Canada	37,491,301,766	31,586,463,262	5,904,833,504	84.3
Bank Clearings	20,091,874,458	16,827,602,771	3,264,271,687	83.7

(a) Statistics for 1931 are for three months only.

For the first half of 1932 bank debits amounted to $12,537,000,000 compared with $16,425,000,000 for the same period of 1931, a decline of 23.7 per cent. Of the five economic areas, the greatest relative decline was shown in Quebec Province where the total was $3,846,000,000 compared with $5,691,000,000 for the first half of 1931, a decline of 32.4 per cent. In the Maritime Provinces there was a decline of 18.7 per cent.; in Ontario, 23 per cent.; in the Prairie Provinces, 7.9 per cent., and in British Columbia, 16.7 per cent.

Omission of Bonuses and Reduced Dividends. The reduction in the earnings of banks resulted in the omission for 1931 of bonuses that had been maintained for many years. The Bank of Montreal paid only its regular dividend of 12 per cent. for the year

and omitted a 2 per cent. bonus; the Royal Bank of Canada took similar action. The regular bonus of 1 per cent. was omitted in each case of the Bank of Toronto, the Canadian Bank of Commerce, the Dominion Bank and the Imperial Bank of Canada. The Bank of Nova Scotia retained its dividend of 16 per cent. (which was without bonuses) for 1931; the Provincial Bank, its dividend of 8 per cent., and Banque Canadienne Nationale, its regular dividend of 10 per cent. In none of these three instances had a bonus been paid.

Further dividend changes were made for the first half of 1932. The Bank of Montreal and Royal Bank took the first step in reducing the annual rate from 12 per cent. to 10 per cent. This was followed shortly afterwards by the Canadian Bank of Commerce, the Bank of Toronto and the Dominion Bank. The Bank of Nova Scotia reduced its rate from 16 to 14 per cent., and, last of all, the Imperial Bank of Canada announced a decline from 12 to 10 per cent.

Canadian Bankers' Association. At the Annual Meeting of the Association held in Montreal on Nov. 12, 1931, the President, Mr. Beaudry Leman, dealt with "Canada's Financial Position." After a survey of the various financial phases existing at the time of the Meeting, Mr. Leman referred to the question of borrowing abroad. "The disposition on the part of many public bodies of this country to resort to international money markets to save a fractional percentage of interest in borrowing operations," he said, "has received a severe setback in recent months. The temporary shutdown on flotations of Canadian issues in foreign money markets," he went on, "will compel Provincial Governments, cities, municipalities and commercial corporations to rely upon the resources of Canada for their credit requirements. This experience in foreign borrowing, now proving so expensive, will have its compensations if borrowers seek in future to place at home the bulk of their loans and strive to limit these to the investment capacity of the country." Referring to what he termed "much present criticism, the world over, of the gold standard," and the opinion expressed that some other medium or method of settling international balances must ultimately take its place, Mr. Leman ventured the opinion that the defect was not inherent in the gold standard, "but in the use to which the gold of the world is being put." The true function of gold was, nowadays, to act as a basis for fiduciary note issues, and to furnish a medium, after invisible exports and imports had been taken into account, for adjusting and settling adverse balances between countries exchanging their products and commodities. "Confidence," he went on, "should in the not distant future again take possession of men's minds," and the gold standard under greater freedom of trade "can again be easily maintained in international financial markets." When existing conditions passed, the British Empire, with approximately 75 per cent. of the gold production of the world within its confines, could look forward to the time when London would again become a free gold market. In closing, Mr. Leman pointed to the fact that Canada had not suffered a single bank failure throughout the financial and economic upheaval. He added: "Nothing much can be wrong with a system that produces such results, and some merit must attach to the organizations which have conserved intact the savings of the people and kept them available to ensure the return of prosperous times in Canada, of which unmistakable signs are becoming apparent."

The Editing Committee reported an increase of 474 in the number of subscribers to the Journal of the Association. The Committee on Education, through Messrs. S. G. Dobson and C. H. Cronyn, reported that during the 17 years that had elapsed since the Courses in Banking had been inaugurated, 1,621 bank officers had completed the Associates' Course, 503 of them with honours, while 474 had completed the Fellows' Course, 99 with honours. For the complete term, 1930-31, there were 995 enrolments in the Associates' Course, as compared with 734 for the previous year. Enrolments in the Fellows' and Supplementary Courses for the same period totalled 268, as against 203 for 1929-30. In the examinations for 1931, 320 had completed the

Associates' Course (an increase of 149 over the previous year), 127 with honours; 33 students completed the Fellows' Course (an increase of 5 over the year before), 1 with honours. For the season 1931-32 there were in the Associates' Course 542 new enrolments, 68 less than the previous year. In the Fellows' Course for 1931-32 there were 112 new enrolments as against 101 the year before. Reference was made to the progress shown by the Toronto Bankers' Educational Association as well as to activities at Hamilton and Winnipeg. During the Meeting Senator Beique brought to the attention of the Association the "overbanked" situation and the desirability of reducing branches, particularly in the City of Montreal and in the Province of Quebec. The President stated that the time seemed opportune for consideration of this matter.

The following officers were elected for the ensuing year: Honorary Presidents—Sir George Burn, Sir John Aird, Sir Frederick Williams-Taylor and C. E. Neill (afterwards deceased); President—J. A. McLeod (Bank of Nova Scotia); Vice-Presidents—S. H. Logan (Canadian Bank of Commerce), M. W. Wilson (Royal Bank of Canada), H. B. Henwood (Bank of Toronto), and Jackson Dodds (Bank of Montreal); Executive Counsel in Montreal—C. A. Roy, C. A. Bogert, A. E. Phipps, F. H. Dickinson, and Beaudry Leman, together with the President and the Vice-Presidents; Secretary-Treasurer, Henry T. Ross; Assistant Secretary-Treasurer—Arthur W. Rogers; General Counsel—A. J. Brown, K.C.; Auditor—G. T. Clarkson, C.A.; Editing Committee of the Journal—J. P. Bell (Chairman) and H. B. Henwood; Committee on Minor Profits—H. B. Henwood (Chairman), Beaudry Leman, S. C. Norsworthy and S. H. Logan; Committee on Education—S. G. Dobson and C. H. Cronyn; Committee on Questions and Points of Practical Interest—W. G. More and F. C. Biggar.

Financial Incidents. Following upon an announcement (December, 1931) by The Bank of Montreal that in future its dividend would be paid in Canadian funds (and not in New York funds) *The Wall Street Journal* quoted a representative of a Canadian security house in New York as opposing this action as discouraging to United States investors in Canadian securities: "In the present period of uneasiness over business conditions, there is danger that this new policy may be construed as a feeling on the part of Canadian bankers that the present heavy discount on Canadian funds may continue for a long time."

A report of the Municipal Administration and Finance Committee of the Investment Bankers' Association of Canada estimated the amount of interest due on Canadian Government and municipal bonds payable in New York funds during 1932 as $93,198,960, of which $15,351,160 represented Dominion obligations; $29,217,600, Provincial; $11,031,200, Municipal, and $37,599,000, Railway. On a basis of 10 per cent. premium in New York funds the payments would require $9,319,896 additional.

According to an estimate by the Dominion Bureau of Statistics there was a combined capital employed of $1,746,220,000 in 1,260 branch, subsidiary and affiliated establishments of British and foreign countries in Canada. The United States owned 1,071 of these branch plants, with capital invested of $1,189,590,000, or 68 per cent. of the total; and Great Britain, 172 plants, with an investment of $246,616,000, or 14 per cent. of the total, with 17 plants in which $5,982,000, or less than 1 per cent., consisted of foreign capital. Canadian investment represented $304,032,000, or 17 per cent.

At the Annual Meeting of the Dominion Mortgage and Investments Association, held in London, Ont., on June 20-21, 1932, C. M. Bowman was elected President. At the Meeting criticism was expressed of certain municipalities that had failed to meet obligations to pay bond interest in New York funds as likely to have a tendency "to weaken faith, particularly of the United States investor, in the security of Canadian issues made payable in New York." This principle of meeting payment of interest on Canadian bonds when called for in New York funds had been voiced on several occasions by the Prime Minister of Canada (Rt. Hon. R. B. Bennett).

Life Insurance in Canada, 1931, $6,622,556,490

For the second year in succession the net amount of new Life insurance business in Canada in the year 1931 showed a decline as compared with that of the previous year, following upon a peak reached in 1929. The net amount of new business paid for in cash during 1931 fell to $782,727,564, a reduction of over $102,000,000 as compared with the total for the year 1930 of $884,749,748, and with $978,141,485 established for the year 1929. Of the 1931 total, group business amounted to $38,433,384 as compared with $59,169,346 in 1930 and $77,503,299 in 1929, the last-mentioned also constituting a high record to date in Canada.

Details with regard to a falling-off in business in two directions were provided in a report, made public in June, 1932, of G. D. Finlayson, Superintendent of Insurance, to the Minister of Finance at Ottawa. The amount of business lapsed in Canada during the year 1931, was $408,714,188, or 45.91 per cent. of the gross new business written. This compared with $404,728,370 for 1930 which was 39.93 per cent. of gross new business. In 1929 the total of lapses had been $322,505,807, or 29.37 per cent. of gross new business. In addition, there was an amount of insurance surrendered in 1931 of $245,985,389, or 27.63 per cent. This compared with $172,328,065, or 17.00 per cent. for 1930 and with $134,216,304, or 12.22 per cent. for 1929. Combining lapsed and surrendered business, the total for 1931 amounted to $654,699,577, or 73.54 per cent. of the gross new business written, comparing with $577,056,435, or 56.93 per cent. in 1930 and with $456,722,111, or 41.59 per cent. for 1929. Death claims during 1931 were $43,132,797 compared with $42,147,970 in 1930 and with $39,797,697 in 1929.

After these allowances total net amount of life insurance business in force in Canada at Dec. 31, 1931, was $6,622,556,490. This compares with $6,492,286,194 at the end of 1930 and with $6,157,262,207 at the end of 1929. The net gain, therefore, for 1931 was $130,270,296 as compared with $335,023,987 for 1930 and with $549,616,584 for 1929.

The combined records of all companies doing business in Canada during the five years 1927-31, compare as follows:

	New Assurance Paid For (Gross)	Assurance in Force	Matured Claims	Premium Income*
1931	$782,727,564	$6,622,556,490	$43,132,797	$228,555,804
1930	884,888,498	6,492,286,194	42,147,970	222,689,286
1929	978,141,485	6,157,262,207	39,797,697	212,898,456
1928	918,742,064	5,607,645,623	35,029,860	194,843,745
1927	838,475,057	5,044,408,834	28,150,247	174,731,364

* Including "Group."

Canadian, British and Foreign Companies. Canadian life insurance companies continued to develop in 1931 by far the largest proportion of the business written in Canada by all companies. Out of the total mentioned above of $782,727,564 as the new business for the year written in Canada, Canadian companies accounted for $491,340,864, with $13,735,682 credited to British companies and $277,651,018 as the business of "Foreign"

companies (those with head offices in the United States). At the end of 1931 Canadian companies had in force in Canada $4,409,707,938 of assurances as compared with $119,259,988 for the British companies and $2,093,588,564 for Foreign companies—out of a total for all companies of $6,622,556,490. The proportion of new business written by Canadian companies out of the total effected in 1931 was slightly less than in 1930, when the new business of Canadian companies was more than double that of British companies and Foreign companies combined, being $594,704,790, compared with $10,769,103 for British companies and $279,275,855 for Foreign companies. Of the total of life insurance in force in Canada at the end of 1931 that of Canadian companies amounted to 66.6 per cent., or two-thirds.

The following table of business originating in Canada shows a record of the relations between Canadian companies and others doing life insurance business in Canada, covering business written in each of the five years, 1927-1931 (figures for Canadian companies including only business originating in Canada):

		Premium Income	New Assurance Paid For (Net)	Assurance in Force
Canadian Companies,	1931.....	$145,990,909	$491,340,864	$4,409,707,938
" "	1930.....	142,059,595	594,704,790	4,319,373,209
" "	1929.....	137,319,487	645,207,646	4,051,612,499
" "	1928.....	124,653,424	606,902,108	3,672,010,075
" "	1927.....	111,644,539	544,385,411	3,277,040,348
British Companies,	1931.....	3,952,106	13,735,682	119,259,988
" "	1930.....	4,924,980	10,769,103	117,410,860
" "	1929.....	4,000,064	11,138,775	116,545,637
" "	1928.....	4,036,669	12,312,500	115,340,577
" "	1927.....	3,963,695	15,414,004	113,883,716
Foreign Companies,	1931.....	75,208,993	277,651,018	2,093,588,564
" "	1930.....	73,539,152	279,275,855	2,055,502,125
" "	1929.....	69,408,928	321,801,064	1,989,104,071
" "	1928.....	64,255,078	299,527,456	1,820,979,858
" "	1927.....	58,124,125	278,675,642	1,653,474,770

The following tables show the rapid growth of life insurance in Canada:

Assurance Effected in Each Year*	Canadian	British	Foreign	Total
1875.....	$ 5,077,601	$ 1,689,833	$ 8,306,824	$ 15,074,258
1885.....	14,691,195	3,748,647	8,327,646	26,767,488
1895.....	27,680,372	3,337,638	13,083,888	44,101,898
1905.....	66,414,264	3,866,980	34,438,341	104,719,585
1915.....	118,283,349	5,563,143	94,358,935	218,205,427
1925.....	443,895,626	17,118,928	251,077,335	712,091,889
1930.....	594,704,790	10,769,103	279,275,855	884,749,748
1931.....	491,340,864	13,735,682	277,651,018	782,727,564

Total Assurance in Force at End of Year	Canadian	British	Foreign	Total
1875.....	$ 21,957,296	$ 19,455,607	$ 43,596,361	$ 85,009,264
1885.....	74,591,139	25,930,272	49,440,735	149,962,146
1895.....	188,326,057	34,341,172	96,590,352	319,257,581
1905.....	397,946,902	43,809,211	188,578,127	630,334,240
1915.....	829,972,809	58,087,018	423,556,850	1,311,616,677
1925.....	2,672,989,676	108,565,248	1,377,464,924	4,159,019,848
1930.....	4,319,373,209	117,410,860	2,055,502,125	6,492,286,194
1931.....	4,409,707,938	119,259,988	2,093,588,564	6,622,556,490

* NOTE.—Figures for 1930 are the finally adjusted estimates appearing in the Department of Insurance reports for 1931. 1931 figures are preliminary and liable to adjustment.

"Outside" Business of Canadian Companies. As was the case in 1930, Canadian life companies in 1931 underwrote a larger amount of new business outside Canada than within. While a number of Canadian companies had been doing business for many years in England and other countries, including the East, the great development of the previous few years had been in the United States. During 1931 the net amount of new assurance paid for outside of Canada amounted to $541,751,417, as against $491,340,864 for Canada. In 1930 new business outside of Canada on the same basis amounted to $692,340,582, as against $594,704,790 in Canada. The amount of net premium income from business outside of Canada was rapidly approach-

ing the income secured from existing and new business in Canada, the total for 1931 being $143,717,251 outside of Canada compared with $145,990,900 for business in Canada, Canadian income holding a margin of only $2,273,649. For 1930 there was a margin of nearly $11,000,000 between "inside" and "outside" income, the totals being $142,059,595 and $131,161,253, respectively. The net amount of insurance in force outside of Canada was gradually approaching that of insurance inside Canada. At the end of 1930 the total outside was $2,974,441,977, compared with $4,319,373,209 inside. At the end of 1931 the total outside was $3,149,689,190, and inside Canada, $4,409,707,938. The total at the end of 1931 inside and outside was $7,559,397,128, up from $7,293,815,206 at the end of 1930. The following table covers total returns for premium income, new assurance paid for, and assurance in force, both inside and outside Canada, in the case of Canadian life companies, between 1925 and 1931, inclusive:

	Premium Income	New Assurance Paid For (Net)	Assurance in Force
1931	$289,708,160	$1,033,092,281	$7,559,397,128
1930	273,220,848	1,287,045,472	7,293,815,206
1929	258,392,082	1,319,616,133	6,608,493,113
1928	219,695,507	1,082,367,008	5,719,727,921
1927	189,773,972	900,107,067	4,892,173,689
1926	166,433,775	852,636,509	4,229,047,931
1925	145,924,473	663,806,271	3,722,569,189

Individual Records of Canadian Companies. The Sun Life Assurance Company of Canada maintained a record of many years past with the largest individual amount of new assurance paid for during 1931, amounting to $523,553,883, as compared with $699,464,502 in 1930 and with $654,451,143 in 1929. The total assurance in force of the Sun Life reached a new high record of $3,049,350,092, as compared with $2,863,701,579 at the end of 1930. The London Life Assurance Company was again second with $95,199,285 of new assurance, compared with $102,008,188 in 1930; a total in force of $461,207,418 compared with $439,700,600 at the end of 1930. Canada Life was a close third with total new business of $87,428,486, compared with $85,742,412 in 1930. Its total assurance in force was second largest in Canada, $866,931,353, as against $848,317,636 at the end of 1930. In new business for the year Manufacturer's Life came fourth, with Great West, fifth, Mutual, sixth, and Confederation Life, seventh. The following table gives individual records of the Canadian group for the year 1931:

Company	New Assurances Paid For	Assurances in Force	Company	New Assurances Paid For	Assurances in Force
Canada Life	$ 87,428,486	$866,931,353	Manufacturers	$ 69,216,643	$527,393,167
Capital	2,501,805	19,220,585	Maritime	2,142,606	10,469,292
Columbia	148,588	433,248	Monarch	6,024,500	58,895,035
Commercial	1,159,113	10,454,083	Montreal	8,662,396	36,206,721
Confederation	45,580,016	350,391,890	Mutual of Can.	51,249,468	496,833,896
Continental	4,278,109	37,203,475	National of Can.	7,937,661	55,411,763
Crown	18,826,349	124,349,921	North American	20,192,302	182,721,927
Dominion	18,795,270	137,797,581	Northern	4,597,982	51,582,405
Dom. of Can.	1,407,415	6,720,819	Royal Guardians	719,297	4,017,183
Eaton	3,526,877	24,368,537	Saskatchewan	946,656	10,358,542
Excelsior	12,050,460	91,037,306	Sauvegarde	3,959,660	28,769,584
Great West	51,832,030	604,645,268	Sovereign	2,290,107	26,425,904
Imperial	26,931,740	281,368,178	Sun Life	523,553,883	3,049,350,092
London	95,199,285	461,207,418	Western	1,269,600	8,731,955

Fire Insurance in Canada. A further decrease in premium receipts was recorded for 1931 among fire insurance companies doing business in Canada. At the same time loss ratio was considerably higher. Premium receipts declined for the second year in succession, from $58,590,980 in 1929 to $55,008,627 in 1930 and to $52,199,898 in 1931. Losses incurred were slightly lower in volume for 1931, amounting to $31,239,738, as compared with $32,018,297. (These Department figures make allowance for deductions in case of "licensed" reinsurance only). Loss ratio for 1931 was higher, 59.85 per cent., as against 58.21 per cent. in 1930, 53.69 per cent. in 1929, and 46.58 per cent. in 1928. Loss ratio for Canadian companies alone was higher than

either British or Foreign, being 61.58 per cent., as against 59.81 per cent. for British and 58.91 per cent. for Foreign. This was the first time in many years that the loss ratio for Canadian companies had been as high as or higher than that of British and Foreign companies. Business written in the Province of Ontario continued to show the highest amount of premiums received, $16,936,295, as compared with $13,235,219 for the Province of Quebec and $5,220,708 for the Province of British Columbia, next in order. The loss ratio for Prince Edward Island was the highest, 124.81 per cent., with New Brunswick next at 84.50 per cent., and Saskatchewan third at 74.49 per cent. Unlike the case of life insurance companies, the Canadian fire companies were third in the list, British companies continuing in the lead with $21,968,914 of premiums received, as against $19,859,132 for Foreign companies, and $10,371,852 for Canadian companies.

The net amount at risk in Canada for all fire companies, which had reached a record total of $9,672,996,973 at the end of 1930, showed a decline of nearly $124,000,000 to a total at the end of 1931 of $9,549,158,193. The total at the end of 1929 was $9,431,169,594. Of the 1931 total, Canadian companies held policies amounting to $1,713,393,507; British companies were in the lead with $4,487,282,146; and Foreign companies had $3,348,482,540. The following table shows the business of Canadian, British and Foreign companies in Canada during 1931 and the previous 5 years:

Year 1931	Net Premiums	Gross Amount At Risk	Net Losses	Loss Ratio (%)
Canadian Companies	$ 8,788,608	$ 2,011,676,768	$ 5,048,528	61.58
British Companies	21,968,914	4,498,973,066	13,138,682	59.81
Foreign Companies	19,859,132	4,287,019,149	11,714,160	58.91
All Companies, 1931	$50,616,654	$10,797,668,983	$29,901,370	59.85
All Companies, 1930	52,646,520	10,311,193,608	30,427,968	58.21
All Companies, 1929	56,112,457	10,791,096,165	30,209,839	53.69
All Companies, 1928	57,111,846	9,187,224,958	26,602,925	46.58
All Companies, 1927	53,893,198	8,531,139,424	21,944,984	40.72

Fraternal Insurance. The mortuary department of Canadian Fraternal Societies issued new certificates to an amount of $9,598,793 during 1931, compared with $11,255,675 in 1930 and with $15,095,645 in 1929, the decline being a reflection of the general conditions prevailing. The amount issued by Foreign Fraternal Societies was $5,868,049, as compared with $4,709,995 in 1930 and with $5,396,175 in 1929 (according to a report of G. D. Finlayson, Superintendent of Insurance). The total amount of insurance in force in the mortuary department at the end of 1931 was $127,741,018 in the case of Canadian Societies and $55,725,571 for Foreign Societies, a total of $183,466,589. One year previous the total for Canadian Societies was $129,846,048 and for Foreign Societies, $56,794,071, a total of $186,640,119. This indicates a decrease during 1931 of over $3,000,000 in the total. Premiums paid during the year in the mortuary department amounted to $2,938,267 for Canadian Societies, and $1,105,829 for Foreign Societies. In the sickness department, the premiums received by Canadian Societies amounted to $429,755, and by Foreign Societies, $98,564, or a total of $528,319. The benefits paid to members in Canada by Canadian Societies amounted to $3,278,621 in the mortuary department and to $439,517 in the sickness department, and for Foreign Societies to $869,602 in the mortuary department and $112,536 in the sickness department, making a total payment in Canada for Canadian Societies of $3,718,138, and for Foreign Societies, $982,138, the grand total for all Societies amounting to $4,700,276. The corresponding total for 1930 had been $4,816,986, with $3,809,947 applicable to Canadian Societies and $1,007,039 to Foreign Societies.

Insurance Briefs. The Judicial Committee of the Privy Council rendered judgment (Oct. 22, 1931), in an appeal from the Court of the Province of Quebec, holding that the Dominion Insurance Act was invalid, and that the whole field of insurance legislative jurisdiction belonged ex-

clusively to the Provinces. The judgment had the immediate effect of ending the Dominion unlicensed insurance tax, the 5 per cent. tax and the new 15 per cent. taxation. To meet the situation the Provinces enacted legislation during the 1932 Sessions of the Legislatures.

Judgment was delivered by the Judicial Committee of the Privy Council on July 23, 1931, granting permission to the Sun Life Assurance Company of Canada to increase its capital from $2,000,000 to $4,000,000. The Supreme Court of Canada in April, 1930, ruled against the Sun Life in its efforts to obtain authority to have its capitalization doubled from $2,000,000 to $4,000,000. The Company had appealed from an adverse ruling of the Dominion Superintendent of Insurance. Mr. Justice Duff and Mr. Justice Smith dissented from the judgment of the Superior Court.

Loans on life insurance policies issued in 1931 by Canadian companies on their entire business both in Canada and abroad, amounted to $107,000,000, an increase of 21 per cent. over $88,000,000 lent in 1930, according to *The Financial Post*, Toronto.

INDUSTRIES AND COMMERCE

General Production in Canada

A Report of the Dominion Bureau of Statistics, issued in June, 1932, estimated the net value (value left in the producers' hands after the elimination of the value of the materials consumed in the production process) of commodities produced in Canada during the year 1930, at $3,216,700,000 as compared with $3,946,600,000 in 1929, a decline of 18.4 per cent. and lower in value than in each of the years from 1925 to 1929 inclusive but greater than in the years from 1921 to 1924. The increase over 1921 was 14.5 per cent. and the gains over the years from 1922 to 1924 were 9.5 per cent., 5.4 per cent. and 6.6 per cent. respectively. While yields were slightly above normal in 1930 the average price of farm products was less than in any year in the two preceding decades. The resulting values of farm crops produced in 1930 were less than in any year since 1914. Manufacturing plants operated at a comparatively high level of capacity during the first half of the year, the subsequent decline being of a pronounced character. The value added by the manufacturing process showed a decline of 11.8 per cent. from the level of 1929. The gross value of commodities produced in 1930 was $5,601,880,583 as compared with a gross value in 1929 of $6,846,171,400. The value (roughly estimated) of the total productive activity of all gainfully employed people of Canada in 1930 was $4,949,000,000 as compared with $6,072,000,000 in 1929 and $6,342,000,000 in 1928.

Eliminating duplication (a number of industries generally listed under manufactures are also included in the several extractive industries with which they are associated) the agricultural industry at 23.6 per cent. of the total production, took second place, being preceded by the manufacturing industries which were 40.7 per cent. of the total net production. Forestry held third place with a percentage of 9.4; construction, fourth, with 9.2; and mining, fifth, with 8.7. The electric power group in 1930 had an output of 3.9 per cent. of the total net production. Repair work, fisheries and trapping followed with percentages in 1930 of 2.7, 1.5 and 0.3 respectively. (For comparative tables of industries including the year 1931 see Section: "Statistical Survey"; and for other statistics for 1931 see the following sub-sections on individual industries). A comparative summary of the value of production by Provinces is given herewith, values of products being shown under two headings, namely, "gross" and "net." "Gross" production shows the total value of all the individual commodities produced under a particular heading. "Net" production represents an attempt to eliminate the value of materials consumed in the production process. For purposes of ordinary economic

discussion, the net figures should be used in preference to the gross, because of the large amount of duplication which the latter includes on account of the necessity of making the individual items self-contained.

	1928		1929		1930	
	Gross Value	Net Value	Gross Value	Net Value	Gross Value	Net Value
P.E. Island	28,925,960	23,128,829	32,807,542	23,452,390	25,436,519	16,635,118
N.S.	204,211,630	144,272,367	199,016,575	129,380,194	174,266,197	114,402,720
N.B.	132,957,699	85,364,983	141,493,983	87,382,143	127,022,481	78,772,589
Que.	1,612,448,740	979,666,796	1,770,707,067	1,049,515,828	1,500,303,451	892,076,349
Ont.	2,813,092,274	1,572,835,443	2,999,318,714	1,658,395,781	2,450,173,078	1,380,458,865
Man.	355,009,130	235,182,568	342,731,190	185,231,376	273,174,256	142,170,105
Sask.	502,850,308	413,825,134	432,316,508	238,781,959	296,156,731	134,134,319
Alta.	439,513,402	341,413,575	409,642,138	237,493,962	329,898,695	184,659,449
B.C.	480,127,529	321,354,242	512,628,119	331,466,014	420,984,045	268,972,091
Yukon	5,482,693	5,465,945	5,509,564	5,509,564	4,465,130	4,465,130
Grand Total	6,574,619,365	4,122,509,882	6,846,171,400	3,946,609,211	5,601,880,583	3,216,746,735

Agriculture: Values and Production

The gross agricultural wealth of Canada in 1931 was estimated by the Dominion Bureau of Statistics at $6,768,595,000 compared with $7,384,239,000 in 1930. This decrease of 8 per cent. was due to decreased yields and to lower prices for all farm products. The 1931 total was made up of the following items; lands, $3,316,961,000; buildings, $1,382,684,000; farm implements and machinery, $665,172,000; live stock, $468,300,000; poultry, $43,138,000; animals on fur farms, $13,000,000; and agricultural production, $880,240,000. According to Provinces the wealth was distributed as follows: Ontario, $1,945,487,000; Saskatchewan, $1,459,752,000; Quebec, $1,223,723,000; Alberta, $952,229,000; Manitoba, $589,711,000; British Columbia, $213,873,000; New Brunswick, $158,840,000; Nova Scotia, $152,210,000; and Prince Edward Island, $72,770,000.

The average value in 1931 of occupied farm lands of Canada, including both improved and unimproved land, as well as dwelling houses, barns, stables and other farm buildings, was reported as $28 per acre, as compared with $32 in 1930. By Provinces, the average values were as follows: Prince Edward Island, $34 (1930: $42); Nova Scotia, $29 (1930: $30); New Brunswick, $26 (1930: $28); Quebec, $40 (1930: $48); Ontario, $46 (1930: $52); Manitoba, $18 (1930: $22); Saskatchewan, $19 (1930: $22); Alberta, $20 (1930: $24); British Columbia, $74 (1930: $76). The average values in 1931 of orchards and fruit lands, including buildings, etc., in the chief fruit-growing Provinces, were estimated as follows: Nova Scotia, $94 (1930: $94); Ontario, $110 (1930: $110); British Columbia, $300 (1930: $291).

The average wages of farm help for the whole of Canada per month during the Summer months of 1931 were: for men, $25 (1930: $34); women, $15 (1930: $20). The value of board during 1931 was placed at $18 per month for men (1930: $22) and for women, $15 (1930: $18).

The average values in Canada of live stock per head in 1931 continued their downward trend; horses were valued at $50 (1930: $61); milch cows, $43 (1930: $59); other cattle, $25 (1930: $35); total cattle, $33 (1930: $45); sheep, $5 (1930: $7); swine, $7 (1930: $15). The total numbers and values of farm live stock in Canada for 1931 compared with figures for 1930 were as follows: horses, 3,128,996 at $155,908,000 (1930: 3,295,000 at $202,013,000); milch cows, 3,513,000 at $150,090,000 (1930: 3,683,000 at $218,822,000); other cattle, 4,478,000 at $110,933,000 (1930: 5,254,000 at $182,263,000); total cattle, 7,991,000 at $261,023,000 (1930: 8,937,000 at $401,085,000); sheep, 3,608,000, at $18,596,000 (1930: 3,696,000 at $25,275,000); swine, 4,716,720 at $32,773,000 (1930: 4,000,000 at $58,852,000). For all Canada the values of farm poultry in 1931 were estimated as follows: hens and chickens, $36,908,000; turkeys, $4,198,000; geese, $1,385,000; and ducks, $647,000.

The total gross agricultural revenue of Canada in 1931 was estimated at $880,241,000 as compared with the revised estimate of $1,262,047,000 in 1930, a decrease of 30.3 per cent. According to Provinces the figures were: Ontario, $305,624,000; Quebec, $181,457,000; Alberta, $135,219,000; Saskatchewan, $106,686,000; Manitoba, $52,379,000; British Columbia, $35,155,000; Nova Scotia, $27,335,000: New Brunswick, $24,067,000; and Prince Edward Island, $12,318,000. All items showed reductions as compared to the 1930 figures except tobacco. The items were as follows: field crops, $425,065,000; farm animals, $95,748,000; wool, $1,644,000; dairy products, $237,922,000; fruits and vegetables, $36,234,000; poultry and eggs, $65,178,000; fur farming, $4,000,000; maple products, $3,538,000; tobacco, $7,178,000; flax fibre, $179,000; clover and grass seed, $1,497,000; and honey, $2,058,000.

By a series of proper deductions from the gross field crop revenue for such items as feed for farm animals and poultry, seed and unmerchantable grain, a preliminary estimate of the net agricultural revenue of Canada was given as $626,776,000 for 1931, as compared with a revised estimate of $860,077,000 for 1930.

For the third successive year both Canada's imports and exports of Canadian farm products (according to the External Trade Branch, Ottawa) showed declines from the values recorded in the preceding fiscal periods. In the year ended Mar. 31, 1932, imports were valued at $90,751,932 as compared with $146,040,629 in 1931; and exports fell from a value of $309,487,523 in 1931 to $224,728,269 in 1932. Although such large items as wheat and wheat flour as well as most other items registered decreases as compared with 1931, some showed considerable gain. Barley exports increased from 3,468,729 bushels in 1931 to 24,337,678 bushels in 1932; oats, from 3,258,501 bushels to 13,841,300 bushels; rye, from 1,327,453 bushels to 4,359,813 bushels; while raw tobacco, malt, canned fruit, cattle, butter, lard, tallow and a number of items of less importance also registered moderate in-

creases over 1931. Trade in farm products with the United Kingdom and the United States also showed declines in the last fiscal year as compared with 1931. Imports from the United Kingdom amounted to $39,806,734 as compared with $59,276,604 in 1931, and from the United States, $30,502,765, as compared with $50,710,267 in 1931. Total exports of farm products to the United Kingdom declined from $153,874,661 in 1931 to $115,541,749 but the Animal Husbandry group, due principally to larger exports of cattle, meats, honey, upper leather, butter, evaporated milk and lard, increased to $20,336,419 from $17,934,077 in the fiscal year ended Mar. 31, 1931. Exports of the whole farm group to the United States amounted to $17,924,181, as against $42,382,616 in the year ended Mar. 31, 1931. The bulk of the trade in farm products continued to be with these two countries, the United Kingdom accounting for 43.9 per cent. of the imports and 50.4 per cent. of the exports, and the United States 33.6 per cent. and 15.7 per cent. respectively.

Canadian Farm Loan Board. According to the Report of the Board for the year ended Mar. 31, 1932, 4,803 new applications for loans totalling $12,370,399 were received in addition to the 656 applications for loans totalling $2,158,030 on hand at the beginning of the fiscal year. During the year the Board granted new loans to a total of $2,025,400 and disbursed in loans the sum of $1,966,344 secured by first mortgages. The total arrears of interest of the Board at the close of the fiscal year amounted to $147,018 or 1.86 per cent. of the principal outstanding. Arrears of principal outstanding were $69,407.

The total costs of administration for the year, in spite of the increase in the volume of loans handled, was only $127,987 as compared with $127,365 the previous year. Profits were shown on the year's operations amounting to $271,323. The Board authorized, in addition to the initial $5,000,000 loan advanced by the Government of Canada, a further issue, during 1931-32, of $2,000,000 of a series of twenty-five year five per cent. Farm Loan bonds and bonds to the amount of $1,500,000 were sold during the course of the year to the Minister of Finance.

Charles Duquette, Montreal, was appointed a Member of the Board in place of Beaudry Leman, Montreal, whose term expired on Jan. 17, 1932. A. H. Brown was Secretary of the Board.

Wheat and Other Field Crops of Canada, 1931 and 1932. Weather conditions in the Spring and Summer of 1931 were varied, from highly favourable in certain parts of Quebec to very unfavourable in large sections of Saskatchewan. Almost normal weather prevailed in the Maritimes. Growth advanced rapidly in June and July witnessed an abundant harvest, which was garnered under fair weather. In Quebec, the late Spring was deleterious to crop growth, but despite short droughts in early July and late August, production reached high levels. The early season in Ontario was dry and cool and extreme drought in early July intervened in a season otherwise normal. Grain crops were reduced from bumper to average prospects by the drought; fruit and truck crops, however, were maintained at high levels, even showing an improvement over 1930. Weather conditions in the Prairie Provinces varied greatly and were reflected in a wide variation in yields. In the Spring, snowfall and rain were very limited over sections of south-western Manitoba, southern and central Saskatchewan and south-eastern Alberta and this condition was so aggravated by high winds that considerable destructive soil-drifting resulted. Throughout the above-mentioned areas, there was no

great relief from drought until late June, so that crop production was drastically reduced over some of the most fertile regions. Better conditions prevailed along the fringe of the main wheat area, and especially in northern Saskatchewan and Alberta, where some bumper crops were harvested. In British Columbia, the early Spring was warm and dry, greatly conducive to growth. The Summer season was marked by alternate periods of drought and heavy rain; the former reduced the harvests of grain, root and hay crops, while the latter was detrimental to the quality of fruit crops particularly.

The following table gives the principal field crops in Canada for the years 1930 and 1931 (Bulletin, Dominion Bureau of Statistics):

Area, Yield and Value, 1930-31

Field Crops	Year	Area	Yield Per Acre	Total Yield	Average Price Per Bushel	Total Value
		Acres	Bush.	Bush.	$	$
Wheat	1930	24,897,900	16.9	420,672,000	0.49	204,693,000
	1931	26,114,650	11.6	304,144,000	0.38	117,080,000
Oats	1930	13,258,700	31.9	423,148,000	0.24	102,919,000
	1931	12,871,341	25.5	328,278,000	0.24	77,970,000
Barley	1930	5,558,700	24.3	135,160,200	0.20	27,254,000
	1931	3,768,269	17.9	67,382,600	0.26	17,465,000
Fall rye	1930	1,091,000	15.0	16,321,000	0.19	3,182,000
	1931	598,511	6.5	3,873,000	0.28	1,079,000
Spring rye	1930	357,050	16.0	5,697,500	0.21	1,219,500
	1931	179,023	8.1	1,449,000	0.27	397,000
All rye	1930	1,448,050	15.2	22,018,500	0.20	4,401,500
	1931	777,534	6.8	5,322,000	0.28	1,476,000
Peas	1930	129,410	18.3	2,370,600	1.47	3,487,000
	1931	83,148	16.5	1,370,000	0.84	1,155,000
Beans	1930	98,680	14.6	1,438,600	2.27	3,261,400
	1931	80,659	15.7	1,267,900	0.69	873,400
Buckwheat	1930	490,300	22.2	10,903,300	0.65	7,124,000
	1931	323,103	20.6	6,649,700	0.50	3,299,000
Mixed grains	1930	1,201,400	36.9	44,276,000	0.42	18,435,000
	1931	1,186,877	33.2	39,431,000	0.37	14,453,000
Flaxseed	1930	581,800	8.7	5,069,000	0.94	4,741,000
	1931	627,430	4.1	2,565,000	0.79	2,025,000
Corn for husking	1930	161,400	36.1	5,826,000	0.87	5,054,000
	1931	130,808	41.5	5,426,000	0.42	2,253,000
			Cwt.	Cwt.	Per Cwt.	
Potatoes	1930	571,300	84.4	48,241,000	0.83	39,858,000
	1931	583,947	90.0	52,305,000	0.43	22,359,000
Turnips, etc.	1930	225,930	181.8	41,064,000	0.44	18,180,000
	1931	154,147	191.0	29,371,000	0.28	8,089,000
			Tons	Tons	Per Ton	
Hay and Clover	1930	10,618,200	1.54	16,397,000	9.83	161,122,000
	1931	8,532,369	1.64	13,960,000	7.62	106,343,000
Alfalfa	1930	744,000	2.20	1,640,000	12.12	19,877,000
	1931	537,410	2.50	1,342,000	10.37	13,917,000
Fodder corn	1930	426,400	8.15	3,475,700	4.93	17,142,000
	1931	341,717	8.38	2,864,900	3.97	11,370,700
Grain hay	1930	1,798,000	1.76	3,159,000	6.73	21,254,000
	1931	1,800,000	2.00	3,613,000	6.13	22,130,000
Sugar beets	1930	52,500	8.97	471,000	6.87	3,238,000
	1931	50,647	9.06	459,000	6.12	2,807,000

The total yields of the principal grain crops of Canada for 1932 were estimated provisionally by the Dominion Bureau of Statistics (*Field Crops of Canada*) on Nov. 10, 1932, in bushels as follows, with the figures for 1931 within brackets: wheat 431,200,000 (304,144,000); oats 394,876,000 (328,278,000); barley 82,981,000 (67,382,600); rye 9,937,000 (5,322,000); peas 1,505,800 (1,369,400); beans 1,059,600 (1,304,100); buckwheat 8,281,000 (6,916,700); mixed grains 39,878,000 (39,431,000); flaxseed 2,533,700 (2,565,000); corn for husking 5,231,000 (5,449,000). The average yields per acre are, in bushels as follows, with the averages for 1931 within brackets: wheat 15.9 (11.6); oats 30.0 (25.5); barley 22.2 (17.9); rye 12.9 (6.8); peas 18.1 (16.6); beans 15.1 (15.9); buckwheat 23.0 (20.6); mixed grains 33.3 (33.2); flaxseed 5.6 (4.1); corn for husking 38.2 (41.4). (The 1932 wheat crop was later estimated at 428,514,000 bus. and the 1931, at 321,325,000 bus.).

The 1932 production of peas, beans, buckwheat, mixed grains and corn for husking was estimated for the first time and showed very little change from the 1931 figures. Buckwheat was an exception, however, and the production of this grain was 1½ million bushels higher than in 1931 due to greater acreage and improved yields per acre.

For the three Prairie Provinces, the provisional estimate of the yields of the five principal grain crops was in bushels, as follows, with the figures for 1931 within brackets: wheat, 411,000,000 (284,000,000); oats, 247,300,000 (183,700,000); barley, 65,569,000 (50,540,000); rye, 8,763,000 (4,157,000); flaxseed, 2,453,700 (2,470,000). By provinces, the yields are as follows: Manitoba—wheat, 45,000,000 (27,000,000); oats, 38,500,000 (25,500,000); barley, 22,500,000 (15,400,000); rye, 557,000 (661,000); flaxseed, 355,000 (450,000). Saskatchewan—wheat, 202,000,000 (121,000,000); oats, 108,200,000 (67,700,000); barley, 23,399,000 (14,340,000); rye, 5,335,000 (2,396,000); flaxseed, 1,982,000 (1,820,000). Alberta—wheat, 164,000,000 (136,000,000); oats, 100,600,000 (90,500,000); barley, 19,670,000 (20,800,000); rye, 2,871,000 (1,100,000); flaxseed, 116,700 (200,000).

Wheat Carryover and Distribution, 1931-32. The total stocks of Canadian wheat in Canada at July 31, 1932, the end of the crop year, according to the Dominion Bureau of Statistics, were placed at 130,948,901 bushels, slightly lower than the record carryover of July 31, 1931, namely, 134,078,963 bushels. Canadian wheat in elevators and afloat in the United States amounted to 4,706,828 bushels, while 1,181,427 bushels of Canadian wheat were afloat destined for United States ports. The comparable figures for these items at July 31, 1931, were 5,538,334 and 1,259,978 bushels respectively. The total amount of Canadian wheat in Canada and in the United States at July 31, 1932, was 136,837,156 bushels compared with 140,877,275 bushels at July 31, 1931.

With regard to the distribution of the 1931 Canadian wheat crop, only a preliminary analysis can be given as the finally revised figures are not available. The carryover of wheat in Canada at July 31, 1931, was placed at 134,078,963 bushels and additional supplies were provided by the 1931 crop, estimated in January, 1932, at 304,144,000 bushels. Adding the further small amount of 216,327 bushels imported during the period August, 1931,—July, 1932, the total for distribution amounted to 438,439,290 bushels.

During this same period the disposition of wheat in bushels was as follows (figures for seed, feed and human consumption subject to later revision): Exports, 207,029,555; human consumption, 41,500,000; seed for 1932 crop, 36,763,000; feed for live stock and poultry, 32,606,000; loss in cleaning, 5,040,000; unmerchantable, 2,826,100; carryover, July 31, 1932, 130,948,901; total, 456,713,556. The Bureau stated that the January estimate of the 1931 wheat crop appeared to be about 18¼ million bushels too low, on the basis of the above disposition of supplies.

The 1931 wheat crop of the Prairie Provinces was estimated in January, 1932, at 284,000,000 bushels. To this should be added the carryover on farms at July 31, 1931, of 17,804,000 bushels, making a total of 301,804,000 bushels for disposition. The unrevised total marketings in the period from Aug. 1, 1931, to July 29, 1932, amounted to 265,098,385 bushels. In addition, allowance should be made for 2,477,000 bushels of unmerchantable grain, 1,650,000 bushels (approximately) as custom millings, 29,931,000 bushels for seed, 23,079,000 bushels as feed, and 5,829,000 bushels as carryover on farms at July 31, 1932. The total of these items was 328,064,385 bushels, an underestimate of 26,260,385 bushels. This figure would probably be reduced when final figures were available. The final revision would be made in January, 1933.

During the crop year 1931-32 (to July 31, 1932) wheat prices remained very stable although still at a low level, the lowest for the year being 51⅛ cents per bushel on Aug. 6, 1931, (Winnipeg cash price for No. 1 Northern); and the highest price 73⅛ cents per bushel on Nov. 5, 1931 (same basis).

The range of Winnipeg cash prices for the crop year was, therefore, 22 cents per bushel. These prices compared with an average price in August, 1929, of $1.58 per bushel, monthly average prices having declined drastically after that date for a period of 18 months until a 53 cent level was reached in January, 1930. After the latter date, average prices had been from 53 to 67 cents per bushel for the 18 months following.

Canadian Wheat and Wheat Flour Exports, 1931-32. Summarizing the trade restrictions affecting wheat, the Dominion Bureau of Statistics in its *Monthly Review of the Wheat Situation* for August, 1932, stated that the crop year 1931-32 had commenced (at July 1, 1931) with the continental European wheat market regulated to an unprecedented extent "and even more restricted than was the case a year previous." The severe restrictions against imports resulted in domestic crops in protected countries going into consumption in the first half of the crop year at a relatively high price. In the early months of 1932 a noticeable scarcity of milling wheat became apparent in continental countries, particularly France and Italy. Restrictions were then modified in these countries by lowering progressively the quantities of domestic wheat required to be milled. In the last five months of the crop year Italy and France were both relatively large purchasers of foreign wheats. Taking into consideration the question of milling quotas, tariffs and other restrictive measures applied against foreign wheat by leading continental importing countries, the Bureau stated it was difficult to see any immediate prospect of freer markets for wheat.

By the terms of The Wheat Act, 1932, of the United Kingdom (See the Empire Section in this volume), domestic growers were free to sell their wheat to anyone at what price they could get for it, and millers were free to buy any wheat they pleased at whatever price they could obtain. It was anticipated that The Wheat Act would cause an increase in the production of wheat in the United Kingdom, but as the domestic production of wheat only amounted to about one-fifth of domestic requirements it was not expected that there would be any pronounced effect upon imports.

The following table shows the exports of Canadian wheat and flour to the United Kingdom and other countries, for the crop year ended July 31, 1932:

Exports of Canadian Wheat and Flour by Countries

Exports by Countries		Twelve Months Ended July 1931	Twelve Months Ended July 1932
Wheat—			
To United States	bush.	8,087,578	4,473,293
	$	5,510,808	2,465,704
Total to United Kingdom (all routes)	bush.	135,117,943	101,564,154
	$	94,000,887	59,352,009
Total to Other Countries (all routes)	bush.	85,330,882	76,765,935
	$	61,381,264	47,727,575
TOTAL WHEAT	bush.	228,536,403	182,803,382
	$	160,892,959	109,545,288
Wheat Flour—			
To United States	brl.	1,214	1,930
	$	4,225	4,755
Total to United Kingdom (all routes)	brl.	2,493,931	2,223,039
	$	10,313,898	7,796,387
Total to Other Countries (all routes)	brl.	4,206,518	3,158,625
	$	17,246,682	10,790,698
TOTAL WHEAT FLOUR	brl.	6,701,663	5,383,594
	$	27,564,805	18,571,840
TOTAL EXPORTS OF WHEAT AND FLOUR	bush.	258,693,887	207,029,555
	$	188,457,764	128,117,128

World Supply (Wheat) Situation at July 31, 1932 (Crop Year). The following table shows estimated production of wheat in North America, Europe and North Africa in 1932 with comparative figures for 1931:

	1931	1932
	(Million Bushels)	
Canada	304	467*
United States	894	712
TOTAL	1,198	1,179
Europe (Ex-Russia)	1,433	1,500
North Africa	70	70
TOTAL	2,701	2,758

*NOTE.—Later statistics from the Dominion Bureau of Statistics dated Nov. 10, 1932, gave the estimated wheat crop for the crop year ended July 31, 1932, as 431,200,000 bushels.

The Dominion Bureau of Statistics stated that accurate data were lacking from Soviet Russia but that it was apparent that the 1932 wheat crop was smaller than that of 1931 and much smaller than the record crop of 1930. From the above table it will be seen that total production in 1932 in the foregoing areas was slightly larger than 1931 with decreased production in North America only partially offsetting the increase in Europe. Apart from the volume of European production in 1932 the distribution was important.

Western and northern Europe harvested exceptionally good crops in 1932. According to available data these countries harvested 206 million bushels more than in 1931 and 227 million bushels more than the five-year average from 1926 to 1930. While the acreage sown to wheat in these countries was slightly larger in 1932 than in the previous year, the large production was a question of high yields per acre. In this respect a similarity was noted between 1932 and 1929. In eastern and south-eastern Europe (ex-Russia) an altogether different situation prevailed. This region, comprising the chief exporting areas of continental Europe, experienced very low yields in 1932, the total yield in the five countries being 144 million bushels less than in 1931 and 75 million bushels less than the five-year average from 1926 to 1930.

Taking the twenty countries as a whole, wheat production in 1932 was estimated at about 62 million bushels greater than 1931 and 153 million bushels greater than the five-year average from 1926 to 1930.

The supply situation in Europe was expected to result, the Dominion Bureau of Statistics stated, in a reduced volume of international trade during 1932-33, as compared with 1931-32. Importing countries in Europe were more favourably situated in respect to supplies in 1932 and as a result Europe would need less wheat than in 1931-32. On the other hand, with much smaller supplies available for export in Russia and in Danubian countries, the major part of European requirements would have to go from Ex-European countries. As a result of this situation, and with average yields in the southern hemisphere, "North America should dispose of as much wheat as during 1931-32—a situation which seems to favour Canada in no uncertain manner." Reports from Australia were generally favourable and a measure of apprehension was being felt in the Argentine due to the prospect of locust damage.

In addition to current production, the supply situation was affected by increased stocks of wheat in North America as at July 31, 1932, compared with a year previous. The volume of these stocks was partially offset by low reserves in Europe and in Danubian countries in particular.

Broomhall's estimated world import needs for 1932-33 at 704 million bushels as compared with actual shipments of 769 million bushels during 1931-32. This authority estimated that European requirements would amount to 504 million bushels as compared with actual takings of 582 million bushels during 1931-32; in other words, that Europe would require 78 million bushels fewer than were actually taken during the 1931-32 crop year. Ex-European requirements were estimated at 200 million bushels as compared with purchases of 187 million bushels in 1931-32.

Board of Grain Commissioners. The Report of the Board (E. B. Ramsay, Chief Commissioner; D. A. MacGibbon and C. M. Hamilton,

Commissioners) for the calendar year 1931 stated that a careful study made by the Board of the records of all Public Country Elevators had not disclosed any "vicious" weighing practices, but that shortages at certain country elevators did not justify the existence of overages at other points and that grade losses did not justify overages in weights.

The Meeting of the Western Committee on Grain Standards in Winnipeg on Oct. 15, 1931, passed a resolution recommending that after July 31, 1932, Garnet wheat should not be graded in the first four grades of Red Spring wheat as specified in Schedule 1 of the Canada Grain Act, 1930; that grades of Nos. 1, 2 and 3 C.W. Garnet wheat should be established; and that any wheat that could not be assigned to these grades on account of special characteristics should be graded No. 4 Northern or in the Commercial grades of Red Spring wheat. Under a ruling of the House of Commons this step was postponed until the following year. The Eastern Committee on Grain Standards met in Toronto on Nov. 20 and in Montreal on Nov. 23 and recommended that buckwheat containing 19 per cent. moisture or over be classified as "damp" and that the Board consider the advisability of establishing grades for field beans.

The Board, having been requested by the Federal Government to administer "an Act respecting Wheat, 1931" authorizing the distribution of five cents to the grower for every bushel of wheat grown in the Prairie Provinces in 1931 and delivered to any licensed elevator in the Western Division, reported that up to Dec. 31, 1931, paid certificates amounting to $8,483,348 and representing the bonus paid on 169,666,968 bushels of wheat, had been received by the Wheat Bonus Office.

The statement of Revenues and Expenditures of the Board for the crop year ended Aug. 31, 1931, showed an operating Deficit of $654,714, as compared with $790,603 the previous year, and was divided as follows: Eastern Division, $20,317, and Western Division, $634,397. The Report declared that there was no doubt that the service given in connection with the inspection of grain was out of proportion to the charges made and suggested that the inspection fee be increased to one dollar per thousand bushels in lieu of one dollar per car, the fee set when shipments were in cars of approximately 1,000 bushel capacity, which then had increased to 2,000 bushel capacity.

The following investigations were carried out by the Dominion Grain Research Laboratory, Winnipeg, during 1931: (1) a survey of the protein content of the contract grades of hard Red Spring wheat grown in Western Canada in 1931; (2) the maximum, minimum and average protein content of the contract grades of wheat grown in the three Prairie Provinces, 1927-31; (3) the complaint of the Liverpool Corn Trade Association; (4) the examination of cargoes out of Montreal; (5) the quantity and quality of oil produced from different types and varieties of flax; (6) the suitability of electrical moisture testers for the determination of moisture in wheat for grain inspection purposes; (7) information *re* the drying of wheat, Spring threshed wheat, variety tests and protein content of Garnet wheat; and (8) the milling and baking characteristics of the crop.

The Canadian Co-operative Wheat Producers Limited. The Directors' Report of the operations of the Company for the year ended Aug. 31, 1931, stated that deliveries received from the Provincial Pools in 1930-31 totalled 126,681,445 bushels of wheat divided as follows: Alberta, 39,964,423 bushels; Saskatchewan, 75,826,356 and Manitoba, 10,890,665. The statement of Income and Expenses for the period showed a net Income transferred to Surplus Account of $57,868. Net Balances due from Provincial Pools totalled $22,149,937.

The proposal made at a meeting of representatives of the Prairie Provincial Governments and farmers' organizations with representatives of the Dominion Government at Ottawa on June 24, 1931, for the establishment of a Wheat Board to market the 1931 crop, was definitely refused by the Dominion Government in letters sent to each of the three Provincial Prime Mini-

sters by the Dominion Prime Minister, Rt. Hon. R. B. Bennett, about the middle of July and tabled in the House of Commons on July 23. An alternative suggestion made by Mr. Bennett was the formation of a trading corporation to which the Provincial Pool elevator systems would be leased, and in financing the operation of which the Government was prepared to assist.

A Conference of the three Prime Ministers, Hon. John Bracken, Manitoba; Hon. J. E. Brownlee, Alberta; and Hon. J. T. M. Anderson, Saskatchewan, with the Wheat Pools, held at Regina, July 16-17 (1931), and adjourned to meet in Winnipeg, July 21-25, culminated in definite plans for Wheat Pool reorganization. A delegation again visited Ottawa shortly afterwards seeking the necessary financial assistance from the Federal Government to ensure against postponement by the Provincial Governments of their securities on the elevator systems. Subsequently on Aug. 7, the Prime Minister of Canada issued a statement declaring that each Provincial organization would function in the same manner as privately-owned enterprises and would also conduct a voluntary pool for the use of those who desired it, such producers to receive an initial payment of 35 cents (40 cents including the bonus of 5 cents) per bushel on the same basis as in previous years. A further statement by the three Prairie Prime Ministers, made on Aug. 11, confirmed that of Mr. Bennett and explained that "a complete cut off has been made from previous years' operations and a settlement arranged as between the Pools, the Provincial Governments and the banks." Each of the Pools would have its own selling agent on the Winnipeg Grain Exchange and would be responsible for all grain deliveries to it whether sold through the Pool or on the open market. Inter-Provincial co-operation was to be maintained by meetings of representatives of the Provincial Boards, necessitated for the solution of various problems from time to time.

According to a statement, based on an Auditor's Report covering the accounts between the Canadian Co-operative Wheat Producers Limited and the banks, made by Hon. John Bracken, Prime Minister of Manitoba, on Dec. 3, the total liability of the three Prairie Provinces on account of wheat pool guarantees was $22,217,302, divided as follows: Saskatchewan, $13,305,655; Manitoba, $3,374,940; and Alberta, $5,536,707. The banks had agreed to take from each of the Provinces to cover its liability, debentures of twenty years at 4½ per cent. (For records of Provincial Pools see Provincial Sections).

It was announced on Dec. 22 that Louis Brouillette, who had been named President of the Saskatchewan Wheat Pool to succeed A. J. McPhail, whose death occurred on Oct. 21, had also been made head of the Central Board (concerned only with the disposal of wheat delivered by Pool members prior to the end of the 1930-31 crop year) of the Canadian Wheat Pool for 1932. Lew Hutchinson, Vice-President of the Alberta Wheat Pool, was Vice-President and Paul F. Bredt, President of the Manitoba Pool, was also on the Executive. Other members of the Board were: Manitoba, C. H. Burnell and W. G. A. Gourlay; Alberta, C. Jensen and Ben Plumer; and Saskatchewan, G. H. Wesson and Brooks Catton.

A series of articles appearing in United States newspapers, allegedly misrepresenting the Canadian Wheat Pool and its members, drew a declaration in defence of the Pools and their policy from Hon. H. H. Stevens, Dominion Minister of Trade and Commerce, in the House of Commons on Apr. 20, 1932. He asserted that the crop failure and the fall in prices, not the Pools, were to blame for any losses sustained by the Western grain growers, and, as significant of the farmer's faith in the Pool movement, he pointed out that, in spite of the small 1931 crop, the Pools had handled 40 per cent. of the total marketable crop in Alberta; 45 per cent. in Saskatchewan, and the usual share in Manitoba.

Aftermath of the World Wheat Conference. Recommendations of the Standing Committee appointed by the World Wheat conference

held in May, 1931, in London, were issued in July, 1931, to the ten participating Governments. The Committee recommended an international information service which would provide information but would not offer advice. It would endeavour to work impartially for all the countries participating.

The objects of the service would be:

(1) to foster collaboration between the wheat exporting countries with a view to encouraging the effective distribution of wheat and facilitating a better understanding of the wheat problem; (2) to increase the scope reliability and timeliness of wheat statistics and other relevant information in order to assist the international trade in and effective distribution of wheat; (3) to review and analyze all relevant information on the current international position and the future outlook; (4) to promote by investigation and education greater consumption and utilization of wheat; (5) to arrange for the timely distribution and publication of information provided, utilizing as far as possible the existing governmental and international services. The offices of the service would be in London and besides a secretarial staff the service would consist of the representatives of the governments which took part in the May conference. Participation by other countries would be left to the discretion of the Standing Committee.

The Live Stock Survey. Values and numbers of live stock in Canada have already been given in the introduction to this Section. *The Report of Live Stock and Animal Products* showed that at the end of 1931 the average prices of cattle and calves and of sheep and lambs had fallen to about 75 per cent. of those reigning in December, 1930, while hog prices had declined to less than 50 per cent. of the levels recorded at the end of the previous year. The price situation was offset in some degree by heavier sales of all classes of stock—commercial marketings being 3.8 per cent. higher for cattle and calves, 19.9 per cent. for hogs and 9.0 per cent. for sheep and lambs. Feed was plentiful and cheap and farmers turned to live stock as the only medium for converting it into saleable products. The cattle export trade with Great Britain increased from 5,400 head to 27,149 in 1931 but trade with the United States was practically cut off since June, 1930, by high tariff rates. Domestic consumption was stimulated by low prices. The marketing of calves declined slightly. Early in 1931 there was a shortage of hog supplies but marketings grew steadily and for the latter half of the year an exportable surplus was shown. Hog exports in 1931 from Central Europe were unusually large. Sheep and lambs showed a more stable condition than those of cattle and hogs. Wool prices were at low levels during 1931, difficulty being found in disposing of supplies.

Slaughtering in inspected establishments in 1931 showed a decreased number of cattle and calves, but an increased number of sheep and swine. The totals for 1931 and 1930 were as follows: cattle, 592,036 (602,017); calves, 371,076 (376,237); sheep, 820,891 (745,119); and swine, 2,224,765 (1,926,325). The total value of all products of packing houses and abattoirs was $164,029,953 in 1930, against $185,842,902 in the previous year. The consumption of meats in Canada in 1931 was estimated at 1,540 million pounds, an increase of 54 million pounds over the estimate for the previous year. Beef figures showed a decrease and pork and mutton, an increase. The *per capita* consumption of meats was estimated at 148.46 pounds for 1931 against 145.64 pounds for 1930. The *per capita* consumption of beef was 57.94 (65.79) pounds; pork, 83.49 (72.93) pounds; mutton and lamb, 7.03 (6.92) pounds; the figures within brackets being those of 1930. The corresponding figures for other important animal products in 1931 were as follows: poultry, 114,483,000 pounds or 11.04 pounds *per capita;* butter 314 million pounds or 30.24 pounds *per capita;* cheese, 36 million pounds or 3.44 pounds *per capita;* eggs, 311 million dozen or 30.02 dozen *per capita.*

Beef and pork exports which for a few years had been steadily declining, continued downward in 1931 and the low prices available made the decline still more marked. Exports of beef totalled 3,756,700 pounds valued at $435,186

as against 8,086,600 pounds valued at $1,262,608 in 1930, and exports of pork totalled 17,538,400 pounds valued at $2,624,099 against 20,475,400 pounds valued at $4,609,700 in 1930. Exports of mutton and lamb showed a slight increase, the quantities being 241,500 pounds and 332,700 pounds valued at $48,537 and $57,673 respectively.

The Dairy Industry. According to a Preliminary Report of the Dominion Bureau of Statistics (issued in July, 1932) the production of creamery butter in Canada in 1931 amounted to 225,802,635 pounds, valued at $50,168,738, compared with 185,751,061 pounds, valued at $56,670,504 in 1930; this decrease was due to the low prices prevailing in 1931, the average price per pound having dropped from 30.51 cents in 1930 to 22.22 cents in 1931. The quantity of creamery butter produced in 1931 was the largest ever recorded by the dairy industry of Canada and exceeded the previous high year, 1930, by 40,051,574 pounds. The highest price per pound in 1931 was recorded in British Columbia with 27.29 cents and the lowest by Alberta with 20.52 cents.

The factory output in cheese in 1931 amounted to 113,704,109 pounds, valued at $12,796,616, a decrease in quantity from the preceding year of 5,401,094 pounds, and a decrease in value of $5,293,254. The average price per pound dropped from 15.19 cents in 1930 to 11.25 cents in 1931. Ontario came first in cheese production, its output in 1931 totalling 84,229,045 pounds, or 74 per cent. of the total make for Canada. Quebec was second in importance, with a production of 25,907,691 pounds. The value of concentrated milk products, comprising condensed and evaporated milk, milk powder, etc. in 1931, was $7,067,481, as compared with $9,955,563 in 1930. The total value of all miscellaneous factory products in 1931, which included whey butter, butter-milk, whey cream and ice cream mix., was $34,606,815, compared with $41,907,595 in 1930. The total value of all products of the 2,696 dairy factories in operation in Canada in 1931 was $104,639,650, compared with $126,623,532 in 1930. There were 1,344 creameries, 1,142 cheese factories, 184 combined butter and cheese factories, and 26 concentrated milk plants; the total number showed a decrease of 28 compared with 1930.

The value of imports of dairy products into Canada dropped from $12,975,208 in 1930 to $1,329,126 in 1931, the decrease being due to the reduction in the butter imports—$12,393,662 in 1930 and $832,531 in 1931. Canadian dairy products exported in 1931 had a total value of $15,235,541, of which $10,594,917 was credited to cheese and $2,329,853 to butter. The quantity of butter exported increased over 1930 by 805 per cent. and the quantity of cheese by 6 per cent.

As a matter of economy the National Dairy Council decided not to hold an Annual Meeting in 1932. The Report of the President, F. E. M. Robinson, issued in March, 1932, and covering the calendar year 1931, stated that, although the financial position of the Council had been considerably weakened by the loss of the Government Grant, they had managed to start the year 1932 with a credit balance of over $1,600. He explained that the reason for the lowering of the price level of butter at the end of 1931, had been caused by over-production and the refusal of the farmers to sell to England on a strict export price basis. The officers for 1932 were: President, F. E. M. Robinson, Quebec; Vice-President, E. T. Love, Alberta; and Secretary-Treasurer, W. F. Stephen, Ottawa.

The Dominion Dairy Conference, convened by the National Dairy Council at the request of Hon. Robert Weir, Minister of Agriculture, and Hon. H. H. Stevens, Minister of Trade and Commerce, was held in Ottawa on Apr. 11-12, 1932, to investigate the cause of the critical situation in the dairy industry, repercussions of which had been experienced in nearly every Province. In the statement of their findings the Conference declared that the low prices for butter, cheese and whole milk, which had prevailed for months, had been brought about by the failure to increase the efficiency of methods of milk production and of cheese and butter manufacture to the

same extent as had competitors, and by the world-wide competition and prevailing economic conditions. The amount of milk and butter-fat production of the average Canadian cow was far below those of other European countries, such as New Zealand and Denmark, resulting in the underselling of the Canadian product on the world markets and at times on the home market. Manufacturing costs could be considerably reduced if fewer, but larger, and better equipped creameries were used. The Conference recommended that the Government take steps to launch a nation-wide campaign to increase the efficiency of the dairy industry; that a committee of dairymen be appointed to co-operate with the Government in gathering information for public dissemination; that, with the help of the Provincial Departments of Agriculture and dairy organizations, meetings be called of all those engaged in the various branches of the industry to review the situation and to secure their support in effecting the necessary improvements; and that certain changes with regard to gathering statistical information of dairy products be put into effect.

Poultry and Eggs. The consumption *per capita* of fowl in Canada during 1931 was 8.19 lb. and the estimated exports amounted to 772,317 lb. out of a total estimated dressed weight of 85,715,000 lb. The consumption of turkeys *per capita* was 1.67 lb. and the estimated exports, 157,715 lb. out of a total estimated dressed weight of 17,503,200 lb. Ducks showed a consumption *per capita,* of .39 lb. and the estimated exports, 36,349 lb. out of a total estimated dressed weight of 4,034,250 lb. Geese were consumed to the amount of .79 lb. *per capita,* and estimated exports amounted to 74,522 lb. out of a total of estimated dressed weight of 8,271,000 lb. (See "Live Stock" for prices).

The total production of farm eggs for the year 1931, in Canada, as estimated by the Dominion Bureau of Statistics, was approximately 286,882,447 doz., valued at $49,206,845, as compared with 278,255,753 doz., of a value of $74,837,092 in 1930. Egg-producing hens on farms numbered 30,940,616 as compared with 35,044,870 in 1930. The average price of eggs per dozen for all Canada was estimated at 18.2 cents in 1931 as against 27 cents the previous year. These estimates relate only to hens' eggs produced on farms, and do not, therefore, include eggs of urban poultry or eggs of farm turkeys, ducks, etc.

Fruit, Floriculture, Honey and Sugar (Maple and Beet). The final Report of the estimated production and value of commercial fruits and floriculture in 1931, as compared with the finally revised estimates for 1930, was issued by the Dominion Bureau of Statistics in June, 1932. Comparative figures are shown in the accompanying table. Fruit-growing as a commercial industry in Canada is limited to, principally, the Annapolis Valley in Nova Scotia, the southern half of Ontario and the valleys of British Columbia. The valley of the Saint John River, New Brunswick, and certain parts of Quebec produce apples on a successful commercial scale. The total value of the commercial fruit production in 1931 was $14,756,636 as against $18,165,276 in 1930. The total value by Provinces was as follows: Nova Scotia, $2,851,881 (1930: $2,898,394); New Brunswick, $206,050 ($175,250); Quebec, $911,545 ($1,001,265); Ontario, $5,894,817 ($6,493,173); British Columbia, $4,894,143 ($7,589,668).

	1931		1930	
	Quantity	Value	Quantity	Value
Pears	396,150 bbl.	$ 447,782	477,497 bbl.	$ 635,323
Plums and prunes	253,784 "	316,428	281,465 "	362,306
Peaches	886,233 "	1,173,654	765,700 "	1,174,668
Apricots	49,900 "	82,335	15,600 "	40,560
Cherries	230,607 "	546,527	288,250 "	795,595
Strawberries	17,027,363 qt.	1,691,471	11,972,238 qt.	1,697,324
Raspberries	5,573,362 qt.	822,362	5,068,210 qt.	975,832
Grapes	50,830,000 lb.	813,280	43,103,760 lb.	1,400,872

The total production of commercial apples in Canada for the year 1931 was finally estimated at 3,731,550 barrels at a value of $8,863,797, as compared with 3,419,327 barrels at a value of $11,082,796, the finally revised estimate for 1930. The average value per barrel in 1931 was $2.38 as compared with $3.24 for 1930. The total sales of nursery fruit stock sold in Canada during the year ended May 31, 1931, was $269,906 as compared with $303,257 in 1929-30.

The value of production of floriculture and decorative plants grown in Canada and sold during the year ended May 31, 1931, was $1,857,280, the cut-flower industry amounting to $1,337,783, or 72 per cent. of the total.

The total production of honey in Canada in 1931 was estimated by the Dominion Bureau of Statistics at 27,867,397 lb., valued at $2,058,094, as compared with 29,549,386 lb. valued at $2,584,474 (revised figures) in 1930. The average price per lb. was 7 cents in 1931 as against 9 cents in 1930. Total exports amounted to 2,589,269 lb., valued at $225,643. Imports of honey were relatively small, being only 17,915 lb. of the value of $2,653, chiefly from the United States.

Production of sugar beets in Canada in 1931, according to the report of the Dominion Bureau of Statistics, was 435,992 tons from 43,337 acres. At an average price per ton of $7.32, the value of the crop was $3,190,198. Production of refined beetroot sugar amounted to 107,139,129 lb. at a value of $4,794,551, produced by three Canadian beetroot factories in operation in 1931: the Canada and Dominion Sugar Company, Limited, at Chatham and Wallaceburg, Ontario, and the Canadian Sugar Factories, Limited, at Raymond, Alberta.

The estimated production of maple sugar in Canada, in 1932, was 7,217,300 lb. valued at $692,480, compared with 5,484,100 lb. in 1931 of a value of $930,800. Production of maple syrup was estimated at 1,744,479 gal., valued at $2,054,277, as compared with 1,314,700 gal. of a value of $2,606,900. The average price was $1.18 per gal. in 1932 and $1.98 in 1931.

Potato Production and the British Embargo. Production of potatoes in Canada in 1931 from 583,947 acres, as reported by the Dominion Bureau of Statistics, amounted to 52,305,000 cwt., the largest yield recorded since 1924, and as compared with 48,241,000 cwt. from 571,300 acres in 1930. The quantity unmerchantable was estimated at 5,634,000 cwt., as compared with 3,216,000 cwt. in 1930. Exports of potatoes amounted to 2,834,000 cwt. in the year ended Mar. 31, 1932, as against 4,261,000 cwt. in the preceding year. At Mar. 31, 1932, there remained in farmers' hands 21,935,000 cwt. as against 18,280,000 cwt. at the same date in 1931. (For Maritime production see individual Provinces).

A question chiefly affecting the Maritime Provinces and one that received a good deal of Press comment during 1931-32 was the Canadian effort to have the British embargo on Canadian potatoes removed. The embargo had been placed by the United Kingdom in 1925 on the Canadian product in order to prevent the entry of the potato bug (Colorado Beetle) into England. During the latter end of 1931, owing to a large potato crop with an available surplus for exportation, the Maritime Provinces potato growers sent to Great Britain as their representative, T. W. Caldwell, to appeal for the lifting of the embargo. Later, in January, 1932, a further delegation consisting of Hon. Lewis Smith, Minister of Agriculture of New Brunswick and J. W. Boulter, Deputy Minister of Agriculture of Prince Edward Island, and accompanied in an advisory capacity by Dr. A. Gibson, Dominion Entomologist, carried on similar negotiations, with the assistance of the Canadian High Commissioner in London. It was stated on the Canadian side that there was no danger of the pest being transmitted to Great Britain with shipments of potatoes in the Winter months because it was in hibernation from Sept. 30 until about May 20. The question came up in the Canadian House of Commons when on Feb. 12, 1932, a Resolution was passed unanimously calling upon the Government to take every means to influence Great Britain in the

removal or the suspension of the embargo. It was stated by the Minister of Agriculture, Hon. Robert Weir, that Canada could not afford to lift its embargo against Great Britain, imposed because of the "black wart," in return for such action, as it had been found impossible to guarantee the protection of shipments against the latter pest.

Canadian efforts in England resulted in apparent failure as the British Government refused to consider the matter, but it was hoped that the discussions with the British Department of Agriculture, headed by Sir John Gilmour, in bringing forward important aspects of the question, would bear fruit in the future.

Tobacco. The total area in Canada devoted to tobacco production was, in 1931, 55,000 acres. The total production for the year was 51,300 lb. averaging 932 lb. to the acre. In the three Provinces, Ontario, Quebec and British Columbia, where the tobacco industry flourished, the farm values for 1931 were as follows: Ontario, $6,813,640; Quebec, $335,900, and British Columbia, $28,000. The estimated yield of 945 lb. per acre in Ontario compared with 876 lb. in 1930. The most notable features of the season of 1931 were the large increases in the production of bright flue-cured and Burley tobacco. The average yield per acre in Quebec in 1931 was 865 lb., a decrease from the figures of 949 lb. for 1930. The average yield per acre in British Columbia was 514 lb., an increase over 1930 which averaged 417 lb.

Fur Farms and Fur Production. The total number of fur farms in operation in Canada in 1930 (the latest year for which statistics are available) was 6,524 as compared with 5,513 in 1929. The value of fur farm property, comprising land and buildings and fur-bearing animals showed a decrease in value for the first time in ten years, being placed at $24,781,093 as compared with $30,356,034 in 1929. The number of farms and the value of property was divided among the Provinces as follows: Prince Edward Island, 719, $3,619,534; Nova Scotia, 566, $1,213,957; New Brunswick, 789, $2,154,360; Quebec, 1,996, $5,385,331; Ontario, 1,203, $5,219,934; Manitoba, 308, $1,516,260; Saskatchewan, 213, $1,745,650; Alberta, 304, $2,022,832; British Columbia, 409, $1,815,180; Yukon Territory, 15, $83,770; and Northwest Territories, 2, $4,285. The number of live fur-bearing animals sold from the farms in 1930 was 24,500, a decrease from the preceding year of 10,922, while the value of the sales was $1,828,545, a decrease from 1929 of $2,646,408. The silver fox contributed 77 per cent. of the 1930 total. The number of pelts sold was more than double that of 1929, the total amount realized being $3,096,270, compared with $2,304,910 the preceding year.

Canada's raw fur production in the twelve months ended June 30, 1931, was valued at $11,681,221, compared with $12,158,376 in 1929-30, these totals comprising the value of pelts of animals taken by trappers and of those sold from fur farms, and the value of the latter accounting for approximately 26 per cent. of the total, an increase of 5 per cent. over 1929-30. For the second year in succession the silver fox led in fur production, with a total pelt value of $3,216,217. Ontario was the first Province in the order of production with a total of $2,188,586, Quebec being a close second with $2,106,108. The total number of pelts of all kinds for the season was 4,060,356 compared with 3,798,444 the previous year.

A report compiled by the Canadian National Silver-Fox Breeders' Association and issued in February, 1932, showed Prince Edward Island in the lead in the silver fox industry in 1931 with 12,259 adults and 13,513 pups; Quebec second with 9,260 adults and 11,339 pups; and New Brunswick and Ontario close behind in third and fourth place respectively. The total for all Canada was as follows: adults checked, 46,974, and inspected, 35,121; pups marked, 53,607, and inspected, 52,887.

On Dec. 10, 1931, an Order-in-Council was passed by the Government, enacting that the word "furs" appearing in certain paragraphs of the Order-in-Council, dated Feb. 27, 1931, (relating to the prohibition of importation of certain goods into Canada from the Union of Soviet Socialist Republics)

should be held to mean "furs other than fur skins of all kinds not dressed in any manner."

Special Aids to Agriculture. A Bill providing for a five-cent bonus on wheat grain in Manitoba, Saskatchewan and Alberta was passed in the House of Commons on July 27, 1931. Under its provisions the sum of five cents was to be paid "for every bushel of wheat grain in the Provinces of Alberta, Saskatchewan and Manitoba in the year 1931 and delivered to any licensed elevator in the Western Inspection Division, commission merchant, track buyer or grain dealer as defined by the Canada Grain Act." The Board of Grain Commissioners was to administer the Act and it was the intention of the Government to see that the grain producer received the five cents.

On Aug. 20, regulations were made public with regard to the bonus. It was stated that it was to be given for growing wheat and not to the farmer who owned wheat; that the only exception was in the case of the man on the farm who was paid wages in money or partly in money or partly by share crop. If he obtained wages entirely by share of crops he was entitled to the bonus, which was not assignable nor subject to garnishment, seizure, attachment or by any legal process whatsoever. Persons authorized to issue the bonus certificate could not issue it to any but the grower of the grain and it was to be delivered to the farmer in person or transmitted to him through the mail. Arrangements were made with elevator companies, track buyers, commission merchants and grain dealers to issue bonus certificates on "street" wheat or "graded storage" wheat, while wheat in carload lots would be settled for after official inspection of the grain. The bonus certificates had to bear on the back of each the declaration of the grower that the wheat was grown in the year 1931 and in the Province of Manitoba, Alberta or Saskatchewan. The certificates could be then taken to any chartered bank and turned into cash, free of charge. No stamp duty would be levied on these vouchers. A wrong declaration of grain delivered would make the grower liable to punishment under the Criminal Code.

As the five-cent bonus terminated on June 30, 1932, there was some dispatch toward that date by farmers to speed the movement of wheat to the elevators as payment was made when it reached that destination. It was stated by the Dominion Bureau of Statistics that during the first week of June, 1932, the rate was about 500,000 bushels a day.

During the 1932 Session the question of a bonus scheme for wheat on both a bushel and an acreage basis came up in Parliament, but was turned down definitely by the House. Robert Gardiner (Leader of the Progressive Party) had suggested the continuation of the five-cent bushel bonus, and Dr. Thomas Donnelly (Lib., Willow Bunch) had proposed the five-cent bonus on a seeded acreage basis.

Later, during the Session, the Prime Minister (Mr. Bennett) declared he had received petitions with respect to a dollar per acre bonus seeded to wheat but he stated that those who had presented them had been told it was not the intention of the Government to pursue such a policy. He explained that so far as distribution of moneys in the previous year's wheat bonus was concerned it had operated for one purpose and that was to ameliorate conditions arising out of the lowered market price for grain and the higher cost of production. With regard to seed grain, the Prime Minister said that the provision for taking liens for seed grain advances was a matter to be determined by the three Prairie Provinces.

Immediately after prorogation of Parliament in 1931, the Minister of Agriculture (Hon. Robert Weir) accompanied by the Minister of the Interior (Hon. T. G. Murphy) and the Minister of Trade and Commerce (Hon. H. H. Stevens), paid a visit to the Western Provinces in order to study at first hand the needs of the Prairies for farm relief. He visited the affected farmers in the dried out areas of Saskatchewan and discussed ways and means of aiding those in need. On Oct. 7, Mr. Weir was in Edmonton where he met in Conference the Prime Minister of Alberta (Mr. Brownlee),

the Provincial Minister of Agriculture (Mr. Hoadley) and other members of the Executive Council. Problems affecting the welfare of the dry areas of the Province were discussed as well as the settlement of accounts regarding seed grain advances during the previous Summer and the question of a forestration of farms. Later in the day Mr. Weir was interviewed by a delegation from the Canadian Chamber of Commerce who sought information on the Dominion Government's plan for aiding Western farmers, on their feeder cattle problem and on their establishment of a seed cleaning plant in connection with the Dominion Government's elevator in that City.

In order to encourage the Winter feeding of young cattle and of lambs and, incidentally, to insure the success of the Feeder Show which was to be held at Moose Jaw on Oct. 14-16, the Minister of Agriculture authorized the Dominion Live Stock Branch to put into operation, for a period of five months, a feeder purchase policy on similar lines to the assistance which had been given during the year and under which policy the Live Stock Branch would pay reasonable travelling expenses of a farmer or an authorized agent of a farmer, residing in any of the three Provinces, who purchased one or more carload of feeder or stocker cattle or of feeder lambs under certain conditions which were enumerated.

Several announcements were made by the Minister of Agriculture with regard to efforts being made for the relief of farmers in the drought-affected areas. One was the wide distribution of grasses, clover and alfalfa seeds in Saskatchewan by the Dominion Government for the purpose of encouraging farmers to grow better forage crops and ultimately to help to solve the soil-drifting problem. Mr. Weir stated that the Government was preparing to finance the buying of such seeds to at least $25,000 and that the farmer could meet the cost by easy payments or by the return to the Government of seed produced, and that the seed which might be obtained by one farmer, would be sufficient for five to twenty-five acres, according to circumstances. The work in Saskatchewan would be under the direction of a Committee of which the Dominion Seed Branch agent would be Chairman.

In Toronto, in February before an audience of stock breeders, Mr. Weir announced that an agreement had been consummated a few days earlier with the steamship companies to give a very reduced rate on carrying cattle. For larger cattle the rate would be reduced from $15 to $12 a head and lighter cattle to $10 a head, from Saint John, N.B., to Birkenhead and Glasgow. "We believe this to be the lowest rate that has ever been given by ocean transport. We have also succeeded in making small cuts along the line in handling charges. Our aim is to endeavour to obtain enough of these small reductions, added to the $3 freight reduction, to put $5 more in the hands of each farmer for each animal he sends to the Old Land." (*The Globe*, Feb. 2, 1932).

The Dominion Department of Agriculture announced on Apr. 29, 1932, the placing of an embargo order against the States of California, Oregon, Nevada and Arizona, prohibiting importations into Canada of live stock and vegetables for human consumption and numerous related products. The order was to go into effect immediately. It had been issued following the receipt of reports telling of an outbreak of foot and mouth diseases in California.

Following much uncertainty as to whether or not the World's Grain Show, which was to have been held in Regina in 1932, would take place at a later date and after numerous discussions between the Provincial and Federal authorities it was decided to hold the Fair in 1933. A grant of $150,000 for preparatory work to the end of the fiscal year Mar. 31, 1933, was voted by Parliament and was to be made available at once to the Provincial organization in charge of the arrangements.

Agricultural Incidents. The Report of the United Grain Growers Ltd. for the year ended July 31, 1931, presented at their Annual Meeting, Nov.

4, 1931, in Calgary, stated that the Company had been able to maintain and improve its financial standing during the year, and also to make sufficient earnings to pay a moderate dividend to the shareholders. Current Assets amounted to $3,131,667, and Current Liabilities to $1,714,488, leaving an excess of Assets over Liabilities of $1,417,179. The Operating Profit for the fiscal year was $993,101 and the net Surplus, $808,388. The total capital investment in subsidiary companies was $1,046,250, the accumulated surplus of $669,864 of these companies forming part of the Company's Reserve and Surplus. It was stated that the Company's equipment for handling grain, consisted of 469 country elevators and two terminal elevators, one at Port Arthur and one at Vancouver.

The Minister of Agriculture announced on Aug. 4, 1931, that a complete survey of all pasture lands in Canada was to be undertaken by Prof. L. E. Kirk, of the University of Saskatchewan, whose appointment as Dominion Agrostologist was made public in the House of Commons on the previous day.

In a cable announcement from the Empire Marketing Board on Sept. 19, 1931, that body stated regretfully that its participation in the free transport of purebred live stock to British Columbia would regretfully have to be withdrawn owing to the enforcement of necessary economies.

The Dominion Agricultural Credit Company Limited, which had been created in February, 1931, for the purpose of establishing and circulating a $5,000,000 revolving loan fund to assist the Western Canada farmers to enter more widely into the raising of live stock, arranged in October, 1931, to open its head office in Regina. Hon. James D. McGregor, Lieutenant-Governor of Manitoba, was elected as the first President of the Board of Directors. H. O. Powell, who had been President and General Manager of the Weyburn Security Bank (absorbed by the Imperial Bank of Canada) was made General Manager. It was stated by the General Manager that the Company, which had been originally organized through the co-operation of the Canadian Pacific and Canadian National Railways and other large organizations at the instigation of E. W. Beatty, President of the Canadian Pacific Railway Company, was a private business organization, and was planned to continue for years like the banks, while not competing with those institutions. He declared that it would fill a gap in the assistance of Western farmers but that it would not make real estate loans.

An informal Conference of Western grain experts, representatives of the Dominion Government and Montreal authorities, was held at McGill University, Montreal, under the Chairmanship of Sir Arthur Currie on Nov. 30, 1931. The statistical position of wheat was examined under three heads: results of the past, the "present position" of wheat and the long term view. A study of the facts, it was agreed by the Meeting, justified Canada in maintaining her position as a wheat producer.

At a Meeting in Toronto on Nov. 27, 1931, of agriculturists and representatives of other business interests, called together by the Canadian Chamber of Commerce, farm problems and a clearing house for agriculture were given careful consideration. A Committee was appointed which was to seek to promote co-operation between various agricultural organizations in Canada. The Committee would also represent agriculture to other industries of the Dominion and would be at the disposal of the Federal and Provincial Governments with regard to agricultural affairs. The Conference grew out of a resolution passed at the Chamber of Commerce Meeting at Regina in the previous Summer at which a discussion of the unfortunate existing position of agriculture with its low prices and the decreased buying power of the farmer, took place.

At the 32nd International Live Stock Exposition, Chicago, in December, 1931, a total of 86 firsts were won by Canadian Entrants including both prizes in the live stock and grain divisions. Of those in the grain divisions ten championships were won and three reserve championships; and in the live stock, ten crowns were taken and ten reserves, all but one coming from Ontario.

Western Canadian growers were the winners at the International Grain Exposition at Chicago in November, 1931, of 68 out of the 72 prizes for hard Spring wheat exhibits. Herman Trelle, 1930 international wheat king from Wembley, Alberta, won only third place in this judging; he won, however, another championship in Durum wheat, the flax exhibit and also placed first in timothy seed showings. C. H. Gilbert, of Big River, Saskatchewan, exhibited first prize of the Hard Red Spring wheats. O. P. Anderberg, of River Bow, Alberta, took the alfalfa championship to Canada, with D. J. Monroe, of Elkton, Mich., winning the reserve title. Remi Lemarche of Casselman, Ontario, exhibited first prize red clover seeds and Albert Robbins, of Laura, Saskatchewan, first in sweet clover.

A Memorial was sent to the Dominion Government on Apr. 13, 1932, from Conservative Members of Parliament and Senators from the Maritime Provinces, supporting the appeal of the Halifax Harbour Commissioners and the Transportation Commission of the Maritime Board of Trade for a one cent differential in grain rates for the Maritime ports as compared with the Quebec port.

The announcement was made from the Department of Agriculture on Mar. 9, 1932, of the resignation of Dr. J. H. Grisdale, Deputy Minister; he had asked to be retired owing to a recent breakdown in his health. Dr. Grisdale had been in office since 1919.

In succession to Dr. J. A. Ruddick, J. F. Singleton was appointed Canadian Dairy Commissioner at the end of June, 1932.

The 1932 Annual Meeting of the Canadian Seed Growers' Association was held in Winnipeg on June 13-15. The Directors' Report recorded a slight decrease in the number of members and in the quantity of registered seed crops produced in the crop year 1931, attributed to the inclement weather conditions in Saskatchewan and Manitoba and to retrenchment on the part of growers with respect to their seed-growing operations. It was announced that George M. Tait, a crops specialist, had been appointed to handle the further developments arising with regard to the expansion of forage crops and garden vegetable crops work. T. J. Harrison, Winnipeg, was President of the Association for 1932-33; Robert Summerby, Quebec, Vice-President; and W. T. G. Wiener, Ottawa, Secretary-Treasurer.

An announcement was made by the Dominion Minister of Agriculture, Hon. Robert Weir, in the House of Commons during the 1932 Session, that the Government had under contemplation the creation of a national farm products marketing board but that no definite action to bring it into being would be taken until after the Imperial Economic Conference in July, 1932. Meantime a Commission of the best marketing experts was to be appointed to study the scheme further.

Canada's Forests and Forest Products Industries

The total area covered by existing forests was estimated by the Dominion Bureau of Statistics in 1932 to be 1,151,454 square miles, of which about 82,260 square miles is land which, if cleared, would be suitable for agriculture. Under the most economic arrangement about 52,000 square miles of this last area could be cleared and devoted to field crops and pasturage and the remaining 30,000 square miles would be left under forest cover in the form of farmers' woodlots, leaving an area of about 1,100,000 square miles of land which could be utilized to the best advantage under forest. Of the existing total area under forest, 1,151,454 square miles, about 200,000 square miles was estimated to carry mature merchantable timber, 111,234 square miles immature but nevertheless merchantable timber, and 554,646 square miles young growth which, if protected from fire and other damage, would eventually produce merchantable timber. All this area was described (1932) as being so situated as to be commercially exploitable. The remaining 285,574 square miles was considered as inaccessible or unprofitable to operate under existing conditions, but as a result of

constant improvement in conditions, such as the extension of settlement and transportation facilities, etc., this timber would eventually become commercially exploitable. Of the 8.4 per cent. of the total forest area permanently dedicated to forest production, some 33,023 square miles comprised National Forests until the transfer of the National Resources to the Western Provinces in 1930 when they became largely Provincial Forests. Only 9.6 per cent. of the total forest area had been permanently alienated, being owned by private individuals and corporations, leaving 90.4 per cent. still owned by the Crown. (*The Canada Year Book, 1932*).

The latest available estimate (issued by the Forest Products Branch of the Dominion Bureau of Statistics, April, 1932) placed Canada's forest resources in 1930 at 224,304 M. cu. ft. of standing timber capable of yielding 424,637 M. ft. b.m. of sawn lumber and 1,121,993 thousand cords of pulpwood, ties, poles and other smaller materials. It was estimated that the total forest production in 1930 involved the cutting of 3,056,930,373 cu. ft. of standing lumber. This constituted only the annual depletion for use and to it must be added the volume of material annually destroyed by fire, which exceeded 346,000,000 cu. ft. of merchantable timber and the young growth on 1,300,000 acres. Insects and fungi destroyed annually at least 700,000,000 cu. ft. so that the annual drain on forest resources was considerably more than 4,102,000,000 cu. ft. A total depletion of this amount does not necessarily imply that total resources were being reduced by that amount every year. The rate of utilization was far from constant and tended to increase with the discovery of new uses for wood, increase in population and the increase in the demand from other countries, while the rate of destruction from fires and other agencies was uncertain. During the years 1928-30, forest fire damage had been materially reduced owing to favourable weather conditions and improved methods of detecting and fighting forest fires.

As far as the value of forest products was concerned, logs and bolts headed the list in 1930 with over $75,000,000. Pulpwood came second with a total value exceeding $67,000,000; firewood with over $43,000,000 came third; hewn railway ties with over $5,000,000, poles with over $6,000,000, and square timber with almost $3,000,000 were among the more important of the other items. The total estimated value of all these forest products was $206,853,494, a decrease of 5.8 per cent. over the estimated value for 1929. The Province of Quebec headed the list for value and volume of forest production and also led in the production of pulpwood, fencing materials and miscellaneous products, taking second place for the production of logs, firewood, square timber and wood for distillation. Ontario was the second most important Province for total value and third for volume of production, leading in firewood and wood for distillation, and taking second place in the production of ties, pulpwood, poles and miscellaneous products. British Columbia came third for total value of production and second for volume, but led in the production of logs and bolts, hewn ties, square timber and poles.

It was estimated that operations in the woods in Canada in 1930 involved the investment of $246,000,000 in logging equipment most of which was employed in the industry in British Columbia where power logging had reached its highest development. These operations were estimated to have given employment for a part of the year to more than 90,000 men and to have distributed over $67,000,000 in wages and salaries. Out of a total of over 3,056 M. cu. ft. of standing timber cut in Canada in 1930, about 92.2 per cent. was retained in the country for immediate use or as raw material for some Canadian industry, and 7.8 per cent. was exported in a more or less unmanufactured form. Manufacturers of commodities whose chief component material was wood or paper depended on the products of the forest as their principal raw material. This group of industries ranked first among similar groups in capital investment ($1,221,357,252); number of employees (156,724); wages and salaries paid ($174,406,889); and net value of products ($368,350,618). In gross value of production ($636,599,911) they were exceeded only by the manufacturers of vegetable products.

During 1931 the Canadian Forestry Association continued their extensive programme of educational work in the preservation of Canadian forests, although seriously affected by the unusual and difficult financial situation. The 32nd Annual Convention was held at Montreal, on Jan. 27, 1932. The Report of the Manager, Robson Black, stated that the year's work had been much more influential than that of any twelve-month period up to 1926. The first large adventure into the field of radio broadcasting was made in 1931, 12 stations being used extensively. 2,500 Junior Forest Wardens were enlisted throughout Canada during the year. Although the lecture tour programme was carried out with meetings reduced to 869, the attendance each meeting had never been so high in the history of the Association. Steady instruction was given in 8,000 rural schools. Individually-paid memberships showed a net increase in 1931 of 2,001, this being modified, however, by the decrease in bulk membership which reduced the total of 32,008 in 1930 to 27,064 in 1931. Membership income for the year was $23,488 as against $28,484 in 1930. Total collections were $94,119 as compared with $131,548 in 1930, and total expenditure, $104,058 as compared with $141,814. Addresses were given by R. O. Sweezey, retiring President, and Dr. Clifton D. Howe, dean of the Forestry Faculty of the University of Toronto. Frederick E. Bronson, Ottawa, was elected President, and Robson Black, Ottawa, Vice-President, also retaining his position as General Manager. New Directors elected were: Nova Scotia: Hon. Gordon S. Harrington and Col. C. H. L. Jones; Quebec: R. M. Kenny, Hon. P. R. duTremblay and F. G. Donaldson; Ontario: F. I. Ker, James Y. Murdock and C. Price Green; Saskatchewan: Norman Mackenzie, K.C. Lieut.-Col. T. A. Hiam had been previously elected President of the British Columbia Branch.

The Lumber Industry. According to the Preliminary Report for 1930 of the Forest Products Branch of the Dominion Bureau of Statistics on the Lumber Industry (issued in January, 1932) the total value of all products decreased from $146,989,564 in 1929 to $121,142,985 in 1930—17.6 per cent. As far as the gross value of production was concerned, the saw-milling industry ranked fifth among the important industries of Canada, being exceeded by the pulp and paper industry, flour and grist mills, slaughtering and meat packing establishments, and the central electric stations. With regard to the net value of production or the value added by manufacture, it was second only to the pulp and paper industry. It was also first among Canadian industries with regard to total number of employees, second with regard to wage distribution and third with regard to capital investment. There were 3,257 mills in operation during the year which produced an average of 1,225 M. ft.; capital investment was $181,116,933; employees, numbered 43,451; salaries and wages, amounted to $28,512,901; fuel used, $305,262; power employed, 316,716 h.p.; cost of materials, $72,956,762; and net value of production, $48,186,223. The cut of lumber was 3,989,421 M. ft. b.m., with value of $87,710,957. Prepared pulpwood, which was carried on as a side-line in many Canadian saw-mills, was second in importance with 1,383,013 cords valued at $17,299,163. The production of shingles amounted to 1,914,836 M., valued at $5,388,837, and of lath to 398,254 M., valued at $1,154,593. British Columbia headed the list in the production of sawn lumber and shingles. Quebec came first in lath production and in the preparation of pulpwood.

According to the preliminary Report of the Lumber Industry for 1931, issued in January, 1933, the total value of all products decreased from $121,142,985 in 1930 to $62,927,750 in 1931, a decrease of 48 per cent. Sawn lumber production amounted to only 2,497,553 M. ft. b.m. valued at $46,-136,340. The average value of all kinds of lumber decreased from $21.99 in 1930 to $18.47 in 1931. Prepared pulpwood decreased in quantity and value in 1931, being 615,853 cords valued at $6,968,413; production of shingles, 1,453,277 M. valued at $3,331,229; sawn ties, 3,103,661 valued at $1,507,703; and lath, 228,050 M. valued at $576,080. There were 3,330 mills in operation in 1931, an increase of 73 over the previous year, but the average production

of lumber per mill was lower in 1931, being 750 M. ft. b.m. as compared with 1,225 M. ft. b.m. in 1930.

The total lumber exported from Canada during 1931, according to the Dominion Bureau of Statistics, was 1,665,129 M. ft. b.m., of which 301,272 M. ft. b.m. went to the British Empire and 1,363,857 to other countries, including 1,121,414 to the United States.

The Canadian Lumbermen's Association held their Annual Meeting in Montreal, on Feb. 2-3, 1932. The most important discussions which arose at the Annual Meeting were those dealing with standard grading rules for Eastern Canadian spruce lumber and with the Imperial Economic Conference to be held in Ottawa. With regard to the former it was stated that, after some years' work, the spruce producers had definitely agreed to a standard basis for grading, the rules to be effective from Apr. 1, 1932. A special Committee, under the Chairmanship of George B. Nicholson, was appointed by the Association to prepare a brief for the Canadian lumber industry to be presented to the Tariff Preparatory Committee of the Dominion Government in June, urging preference for Canadian lumber and other forest products in the market of the United Kingdom and throughout the Empire. Officers elected for the ensuing year were: President, J. S. Gillies; 1st Vice-President, J. S. Bock; 2nd Vice-President, Hugh MacKay; and Secretary-Manager, R. L. Sargant.

The Pulp and Paper Industry. The pulp and paper industry, the most important manufacturing industry in Canada, headed the lists in 1931 for gross and net values of manufactured products as well as for distribution of wages and salaries. The gross value of production in 1931 was $174,733,954, a decrease of 19 per cent. over the figure for 1930, according to the Preliminary Report of the Forest Products Branch of the Dominion Bureau of Statistics, issued in August, 1932. This gross value represented the sum of the values of pulp made for sale in Canada, pulp made for export and paper manufactured, excluding pulpwood and the pulp made in combined pulp and paper mills for their own use in making paper. The net value of production in 1931 was $110,786,276, as compared with $133,681,991 in 1930. There were 103 mills in operation or six less than in 1930. Of these 32 made pulp only, 43 were combined pulp and paper mills, and 28 made paper only. The total capital invested in the manufacturing part of the industry was $630,176,540; the number of employees was 26,669, and the total payroll, $34,792,013. The 75 mills manufacturing pulp produced 3,167,960 tons valued at $84,780,819; the 71 mills making paper produced 2,611,225 tons of paper valued at $54,004,119, newsprint paper making up 85.3 per cent. of the total reported tonnage. The gross contribution toward a favourable trade balance resulting from the activities of the industry as a whole in 1931 amounted to approximately $139,844,298 as compared with $176,506,583 in 1930.

Following conferences between the representatives of banks and between the Presidents of the leading newsprint companies, the so-called "Bankers' Committee" was formed on Nov. 13, 1931, to study exhaustively the possibilities of closer co-operation between the major Eastern Canadian producers. The members of the Committee were as follows: E. W. Beatty, Chairman; Sir Charles Gordon, President, Bank of Montreal; Morris Wilson, General Manager, Royal Bank of Canada; and G. R. Cottrelle. Col. John H. Price, President of Price Brothers and Company Limited, at that time stated that the attitude of his Company was wholly favourable to the idea of a large merger of newsprint companies, but that they themselves would not join in such a move.

Certain rumours being circulated with regard to the activities of the Committee and to the effect that plans for the reorganization of Price Brothers (See Section "Finance" in this volume for further particulars) were having upon them, drew from E. W. Beatty, the Chairman, on June 28, 1932, a statement that "possible reorganization of Price Brothers and the Abitibi Company have not affected the work of the Committee, though the latter,

of necessity, has no voice in the form of reorganization which the security and shareholders of any individual company may think desirable in their own interests . . . those particularly interested in the Price Brothers situation are co-operating fully and effectively with the Committee in the work which it is endeavouring to accomplish."

In his address delivered to the 19th Annual Meeting of the Canadian Pulp and Paper Association, held on Jan. 29, 1932, the President, Harold Crabtree, stated that a Surplus for the calendar year 1931 of $1,097 had been brought forward as a result of the measures of economy put into effect in all departments. He declared that the pulp and paper industry had been affected more by the conditions in foreign countries than by those at home, since by far the larger share of the output found a market in countries outside Canada. "Prices of wood pulp have been forced down to a low point owing to intensive competition and lessened demand. Curtailment of production both in Europe and in Canada failed to help the situation very materially. The difficulties of the newsprint situation were aggravated during the year by a further falling off in consumption, which permitted the mills to operate at only 58 per cent. of capacity, as compared with 69 per cent. in 1930." Mr. Crabtree was re-elected President for the third term, and A. E. Cadman was re-elected Secretary.

Statistics of Canada's Principal Forest Products Industries

(1929)	No. of Plants	Capital Employed	Average No. of Employees	Value of Products
Wood-Using	2,077	$148,701,001	39,269	$146,950,073
(1930—Preliminary)				
Boatbuilding	122	3,123,984	961	2,687,050
Box, Basket and Crate	123	10,636,465	3,231	8,813,916
Carriage and Wagon	317	7,662,388	1,753	6,098,657
Coffin and Casket	36	3,784,344	778	3,186,476
Cooperage	74	2,332,065	538	2,523,694
Engraving, Stereotyping and Electrotyping	76	9,806,326	2,807	8,728,739
and Blue Printing	15	182,608	83	332,876
Furniture	336	41,495,827	11,980	36,866,195
Handle, Spool and Wood-Turning	39	2,127,617	593	1,341,128
Hardwood Flooring	23	6,293,271	1,694	6,940,540
Lasts, Trees and Shoe Findings	12	1,255,156	572	1,132,037
Lithographing	46	17,111,128	3,211	13,697,917
Miscellaneous Paper Goods	61	13,084,168	2,227	12,538,497
Miscellaneous Wood-Using	105	12,890,586	2,214	9,770,749
Paper Box and Bag	126	21,667,586	5,062	20,836,150
Printing and Bookbinding	905	38,837,176	11,567	37,941,787
Printing and Publishing	776	66,860,624	17,063	72,013,171
Sash, Door and Planing-Mill	728	49,333,121	9,651	36,483,594
Sporting Goods	27	2,715,746	622	2,319,928
Stationery and Envelope	39	6,011,637	1,638	7,098,074
Trade Composition	28	793,785	229	658,845
Woodenware, Manufacture of	17	1,312,029	804	1,533,501
(1931—Preliminary)				
Boatbuilding	108	2,186,595	582	1,201,886
Coffin and Casket	35	3,685,003	787	2,767,491
Excelsior Industry	11	356,618	87	186,846
Handle, Spool and Wood-Turning	39	1,822,744	502	1,045,698
Lasts, Trees and Shoe Findings	11	1,160,355	535	1,211,563
Woodenware, Manufacture of	18	1,604,580	705	1,308,275

Mining and Metallurgical Industries in 1931-32

According to the Dominion Bureau of Statistics, final statistics on the Canadian mineral producing industries—operating mines, smelters, refineries, oil and gas fields, clay products plants, cement mills, sand and gravel properties and stone quarries—in 1931 revealed a total capital investment of $842,060,020 by 2,397 firms. The entire industry afforded employment to 72,809 persons who received $91,969,299 in salaries and wages. Net sales of mineral products amounted to $238,169,809. The total value of the mineral production of Canada decreased from $279,873,578 in 1930 to $228,029,018 in 1931, due to the drastic reduction in metal prices and

to the lessened demand for non-metallic minerals and structural materials. Although outputs of practically all the mineral products showed a downward trend the gold mining situation was never better and the prospecting for and development of new properties was most active. Platinum and petroleum were practically the only other sources that indicated increases in production. The production value of the metal group in 1931 was $118,524,439 as compared with $142,743,764 in 1930; the fuel group was $54,453,143 as against $68,184,485; other non-metallic production decreased from $15,217,864 to $10,893,141; clay products from $10,593,578 to $7,841,288; and other structural materials from $43,133,887 to $36,317,007.

In 1931 Canadian gold production constituted a new high record in the gold mining industry and for the second consecutive year established the Dominion in the position of the second largest gold producing country in the world. Great Britain's suspension of the gold standard during the year under review and the subsequent heavy discount of the Canadian dollar in New York re-acted almost immediately to the benefit of the Canadian gold producer. Gold produced from all sources in Canada amounted to 2,693,892 fine oz. valued at $55,687,688 as compared with an output of 2,102,068 fine oz. valued at $43,453,601 in 1930. Ontario had the highest production of 2,085,814 fine oz., Porcupine and Kirkland Lake areas being the important sources; Quebec came second with 300,075 fine oz.; British Columbia produced 160,069 fine oz.; Manitoba, 102,969; the Yukon, 44,310; Nova Scotia, 460; and Alberta, 195.

The total production of silver in 1931 was 20,562,247 fine oz. valued at $6,141,943 as compared with 26,443,823 fine oz. valued at $10,089,376 in 1930. Canada ranked third among the world's silver producing countries. Producers of silver suffered considerably from the almost unprecedented decline in prices of metals, silver prices reaching the lowest level ever recorded. Manitoba was the only Province whose output increased over the previous year.

The copper output of 1931 represented a decrease of 11,173,966 lb. in volume and $13,834,294 in value, the total being 292,304,390 lb. valued at $24,114,065 as compared with 303,478,356 lb. worth $37,948,359 in 1930. The abnormally low prices for copper existing throughout the year resulted in a considerable reduction in valuation. In this metal also, Manitoba was the only Province to record an increased production in 1931, which was reflected by the first full year's operation of the new Flin Flon smelter of the Hudson Bay Mining and Smelting Company and by the starting of the first unit of the Sherritt Gordon mill in March, 1931.

Nickel production in Canada in 1931 recorded an output of 65,666,320 lb. valued at $15,267,453 as compared with 103,768,857 lb. worth $24,455,133 in 1930. These figures include the nickel in matte exported by the International Nickel Company of Canada, Limited, and the Falconbridge Nickel Mines Limited; refined or electrolytic nickel produced at Port Colborne, Ontario, by the International Nickel Company; and nickel in nickel oxides shipped from the Deloro plant of the Deloro Smelting and Refining Company, and from the Port Colborne metallurgical plant of the International Nickel Company. Canada produces approximately 87 per cent. of the world's nickel, which production comes almost entirely from mines operating in the Sudbury basin area in Ontario.

The production of lead in 1931 totalled 267,342,482 lb. valued at $7,260,183 as against 332,894,163 lb. worth $13,102,635 in 1930. The principal source of lead in Canada was the Sullivan mine in British Columbia. This Province contributed approximately 98 per cent. of the total output for the year. The Yukon contributed about 4½ million lb. and Ontario nearly a million lb.

Zinc production during the year 1931, which constituted the refined zinc made at Trail and at Flin Flon, Manitoba, totalled 237,245,451 lb. valued at $6,059,249, a decrease of approximately 12 per cent. from 1930 when 267,643,505 lb. were produced at a value of $9,635,166.

The important asbestos industry of Quebec in 1931 was affected greatly by the increasing competition of Russian and African fibre. The quantity of asbestos fibre placed on the market was 164,296 tons valued at $4,812,886, a decrease of 77,818 tons in volume and $3,577,277 in value as compared with 1930. The total volume of asbestos-bearing rock mined and hoisted during the year was 2,274,048 tons; 2,164,060 tons were milled. Exports of non-fabricated asbestos from Canada in 1931 totalled 159,438 tons worth $5,174,643 as against 235,500 tons valued at $8,453,257 in 1930.

Gypsum quarries operated in Nova Scotia, New Brunswick, Ontario, Manitoba and British Columbia, reported a total production of 863,752 tons valued at $2,111,517, the greater part of which was exported, compared with 1,070,968 tons worth $2,818,788 in 1930.

Salt production in Canada during 1931 amounted to 259,047 short tons valued at $1,904,149 as compared with 271,695 tons worth $1,694,631 in 1930. Shipments in 1931, exclusive of the salt content of brine used in the manufacture of chemicals, averaged $11.20 per ton as against $10.05 per ton in 1930. Price advances contributing to the increase in valuation over the previous year were principally confined to table, dairy and common fine grades. It was reported that it was becoming more apparent each year that the salt resources of Canada, especially those of Nova Scotia and New Brunswick, were very large. Ontario was the most important salt producing Province in the Dominion. Canadian imports of salt during 1931 totalled 130,895 tons of a value of $751,938 and exports amounted to 6,126 tons valued at $55,110.

Coal, Coke, Oil, Gas and Petroleum.* The total production of coal from Canadian mines in 1931 amounted to 12,243,211 tons valued at $41,207,682, a decline of 17.7 per cent. in quantity and 22 per cent. in value from the 1930 output. The 1931 production included 8,861,360 tons of bituminous coal, 471,343 tons of sub-bituminous coal and 2,910,508 tons of lignite coal. Of inter-Provincial shipments in 1931, Nova Scotia shipped 408,843 tons of coal to New Brunswick, 76,483 tons to Prince Edward Island, 1,746,085 tons to Quebec, and 52 tons to Ontario; New Brunswick mines made a small shipment to Quebec. Saskatchewan lignite shipments included 244,408 tons to Manitoba, 1,524 tons to Ontario, 71 tons to British Columbia, and 33 tons to Alberta. Alberta mines supplied the Saskatchewan market with 903,801 tons, Manitoba with 443,107 tons, British Columbia with 171,835 tons, Ontario with 26,750 tons and Quebec with 100 tons. Shipments from British Columbia to Saskatchewan totalled 66,725 tons; to Manitoba, 57,562 tons; to Alberta, 34,247 tons; and to Ontario, 72 tons. Canada exported, in 1931, 359,853 tons of coal and imported 13,531,831 tons. 12,467,815 tons of the latter total came from the United States, made up of 2,236,423 tons of anthracite, 10,224,982 tons of bituminous and 6,410 tons of lignite. From Great Britain, 998,662 tons were imported: 876,364 tons of anthracite and 122,298 tons of bituminous. From Germany, 60,762 tons of coal were imported during 1931 and 4,592 tons from French Indo-China during the same year. Employment in Canadian coal mines was given to 27,860 employees in 1931 compared to an average of 29,172 in 1930. In addition to the 25.4 million tons of coal consumed in 1931, 2,547,916 tons of coke were made available for use during the year. The production of coke in Canada during 1931 was 1,835,622 tons, of which 1,171,929 tons were sold. Imports of coke during the same year amounted to 733,274 tons and exports totalled 20,980 tons. The coal equivalent of coke imported during the year was 1,128,113 tons. Canadian coal used in the manufacture of coke totalled 561,547 tons, in addition to which 1,972,854 tons of imported coal were carbonized.

Fuel oil was consumed by industrial and domestic users in 1931 to an extent of 428 million imperial gallons as compared with 513 million imperial gallons in 1930. According to a survey on domestic fuel consumption by

*NOTE.—For further values of these groups see "Manufacturing" elsewhere in this Section.

the Dominion Fuel Board, 56,505,000 gallons of fuel oil were used for domestic heating in Quebec, Ontario and Manitoba in 1930. A possible coal displacement of 452,000 tons was indicated by this fuel oil consumption as compared with the 1929 total of 310,000 tons. The Domestic Fuel Act which expired on June 30, 1932, induced only two Canadian coke and gas producers to use Canadian coal instead of imported coal. They were the Nova Scotia Light and Power Company and the Quebec Power Company.

Large coking tests carried out by the Dominion Fuel Research Laboratories and by the Montreal Coke and Manufacturing Company on washed Princess colliery coal, according to a statement of the Department of Mines, Ottawa, proved that this coal, mined by the Dominion Coal Company would stand indefinite storage and could be used as a blend up to 35 per cent. with the United States coal, which was in use at the Montreal plant, without affecting the quality of the coke produced. During 1931 approximately 35,000 tons of the Princess coal were delivered to the Montreal coke plant for experimental purposes and since delivery, it was stated, it had been used as a blend. As a result of similar tests of coal from the Michel colliery in the Crow's Nest Pass district, British Columbia, 1,000 tons of this coal were coked in the Winnipeg Electric Company's plant and as a result 40 per cent. of this Company's coal requirements were obtained from the Michel colliery. Other new developments in connection with the coal mining industry during 1931 were the following: the completion, in September, 1931, of a new power plant at Newcastle Wharf on Grand Lake, New Brunswick, which would consume approximately 20,000 tons of coal and would provide a market for all the slack and screenings produced in the district; the continuation of development operations on the Onakawana lignite deposits in the Moose River Basin, Ontario, in 1931, and a commercial test shipment of 120 tons to Germany; the extraction in Manitoba, of a small tonnage of coal from lignite seams in the Turtle Mountains near Deloraine; the increased marketing of Saskatchewan coal in 1931 due to the large scale stripping and open-cut methods used in the industry in that Province as well as the Dominion Government's railway subvention.

Petroleum production from Canadian wells in 1931 increased to a new high record when 1,542,573 barrels were produced as compared with 1,522,220 in 1930. This output was received from the Provinces of Alberta, Ontario and New Brunswick. The total value was $4,211,674 in 1931 as against $5,033,820 the previous year. Owing to lessened demand for crude naphtha and to the Provincial Government's natural gas conservation measures, the production from the Turner Valley field of Alberta showed a considerable decline during the last six months of the year.

The production of natural gas in Canada amounted to 25,874,723 M. cu. ft. in 1931, a decline from the 1930 total which was 29,376,919 M. cu. ft. The value of this product for the year under review was $9,026,754 as compared with $10,289,985 in 1930.

Manufactured gas sales for domestic and industrial use in 1931 declined 3.4 per cent. to 17,111,432 M. cu. ft. Natural gas consumption was at a lower level than in 1930 and included approximately 17,000,000 M. cu. ft. for domestic purposes and 9,000,000 M. cu. ft. for industrial use. Domestic consumption of natural gas represented an estimated displacement of 680,000 tons of coal.

The Smelting and Refining Industry. According to information contained in a bulletin issued by the Mining, Metallurgical and Chemical Branch of the Dominion Bureau of Statistics in July, 1932, the capital employed in non-ferrous metallurgical industries in 1931 was $175,669,195; the number of salaried employees was 878; the number of wage-earners, 6,982; the amount of wages, $11,114,248; the estimated value of material treated, $48,336,301; the value of smelter products, $98,565,755; and the value added by smelting, $50,229,454.

The smelter of Noranda Mines Limited, stated the bulletin, during 1931 treated 765,544 tons of ore, concentrate, silicious fluxing ore and slag, and produced 4,672,714 lb. of blister copper and 58,584,560 lb. of anodes, making a total of 63,257,274 lb. of copper bullion. The amount of copper produced by the Company during the year showed a decrease over 1930 but the output of gold was more than doubled. From Mar. 19, 1931, all copper was shipped in the form of anodes, weighing approximately 700 lb. each, to the Canadian Copper Refiners Limited, Montreal East, the new subsidiary of Noranda.

The Copper Cliff concentrator and smelter of the International Nickel Company, Limited, reported 1,347,722 tons of copper-nickel ore treated and 72,747 tons of bessemer matte and 22,013 tons of blister copper produced in 1931. It was stated that the change from blast furnace practice to reverberatory smelting was effecting even greater economies than had been anticipated. Operations in other smelters of the same Company were greatly curtailed, the production of nickel at the Port Colborne nickel refinery totalling only 31,877,840 lb., excluding sulphide for the Clydach refinery, as compared with 61,704,271 lb. in 1930 and 28,688 tons of blister copper as compared with 59,503 tons in the previous year. Export sales also showed a considerable decrease from 1930. The Coniston, Ontario, smelter treated 427,717 tons of copper-nickel ore and produced 23,163 tons of bessemer matte.

The Flin Flon copper smelter in Manitoba was operated continuously during 1931 by the Hudson Bay Mining and Smelting Company. Blister shipped contained 73,000 oz. of gold, 709,149 oz. of silver and 31,232,114 lb. of copper. Operation of the slag fuming department and changes made possible in the blast furnace practice resulted in a great advance being made in the lead smelting plant of the Consolidated Mining and Smelting Company.

The industry consumed, during 1931, 89,898 short tons of Canadian bituminous coal valued at $449,927; 191,684 short tons of imported bituminous coal worth $1,009,717; 176,356 tons of coke for furnace charges valued at $1,565,927; 132,133 tons of coal for furnace charges valued at $1,108,923; 9,329,424 gallons of fuel oil at $485,434; and 196,645,979 k.w.h. of electricity worth $3,943,879, etc.

Mineral Production in 1932. According to a Preliminary Report issued by the Dominion Bureau of Statistics for the six months ended June 30, 1932, the production of metals, fuels and non-metals in Canada reached a total value of $83,384,705, as compared with a total of $95,689,288 during the same period of 1931. The total value of metals produced during the period amounted to $54,092,915 as compared with $61,717,841 during the first six months of 1931. Copper, lead, zinc, nickel, and the platinum group metals all showed reduced outputs but gold production at 1,496,078 fine oz. worth $30,926,683, when calculated at the standard rate of $20,671,834, was greater than ever before for a similar period. The value of the gold produced was greater than the combined value of all the other metals, and in addition, the gold mines of Canada received some $3,417,443 in premium payments due to the existing exchange situation.

Silver production totalled 9,451,611 fine oz. as against 11,701,718 during the first half of 1931. It was stated that, since the writing of the previous half-yearly Report, another promising source of silver in Canada had been discovered at Echo Bay on Great Bear Lake in the North West Territories, where a deposit of high-grade silver radium was located. Hand-sorted silver ore would be sent out to the smelter during the next season and the chemical and metallurgical staff of the Department of Mines was developing a process for the recovery of the radium from these ores, for which purpose a plant was being built at Port Hope, Ontario, by Eldorado Gold Mines Limited.

Copper production during the period declined considerably on account of the prevailing low prices. Output totalled 129,206,453 lb. worth $8,235,826 as against 149,277,041 lb. valued at $13,705,822 during the corresponding period of 1931. Much credit was due, according to the Report, to the personnel of

the copper mining companies who had made every effort to cut costs and to continue operations notwithstanding the lowest prices in the commercial history of the metal. Nickel production at 21,162,786 lb. showed a decrease of 48 per cent. when compared with the same period in 1931. Production of lead in Canada totalled 127,699,578 lb., a drop of 13 per cent.

The Canadian coal production during the first six months of 1932 declined 4 per cent. to a total of 5,655,801 tons as compared with 5,891,588 tons produced in the corresponding period of 1931. New Brunswick's output advanced 6.8 per cent. to 101,008 tons, Saskatchewan's production rose 41.0 per cent. to 377,608 tons; and Alberta's 10.7 per cent. to 2,193,177 tons. Nova Scotia mines showed an output decline of 20 per cent. to 2,094,840 tons and British Columbia mines 4.3 per cent. to 887,946 tons.

1932 imports (January-June) amounted to 4,390,878 tons or 18.2 per cent. below the total for the first six months of the previous year. Receipts of anthracite coal were recorded at 1,263,276 tons, made up of 849,358 tons from the United States, 407,575 tons from Great Britain, 5,693 tons from Germany and 650 tons from Belgium. Imports of anthracite coal from the United States during the period declined 26.2 per cent., while Great Britain anthracite coal brought into Canada increased 27.5 per cent. During May and June Great Britain supplied 55.2 per cent. of the Canadian imports of anthracite coal. Bituminous coal importations into Canada decreased 19.3 per cent. to 3,125,875 tons as compared with 3,875,792 tons in the six months ending June, 1931. Exports of Canadian coal declined 21.5 per cent. to 132,961 tons from the total for the corresponding months of 1931.

A considerable decline was recorded in the output of natural gas in Canada during the period January to June, 1932. This falling-off was due principally to decreased production in the Turner Valley field in Alberta. Output during the period totalled 14,518,385 thousand cubic feet of which Alberta produced 66.4 per cent., Ontario 30.6 per cent., and New Brunswick 3.0 per cent. In June, a new well with an estimated flow of 11,000 cubic feet was brought into production in the Viking field, Alberta.

Petroleum production (January-June) was 570,141 barrels as against 937,779 barrels in the first half of 1931. Decreased production in the Turner Valley field, Alberta, due to lessened demand for crude naphtha and to natural gas conservation regulations introduced by the Provincial Government, was responsible for the decline in the Canadian petroleum output. Oil in storage at the Turner Valley field on Dec. 31, 1931, totalled 41,255 barrels; on June 30, 1932, approximately 16,500 barrels of oil remained in storage. The announcement on Apr. 22 of increased prices for crude naphtha and crude oil in Alberta was an interesting feature of the period. Reports in circulation indicated that the Fort Norman oil wells in the North West Territories would be put in operation later in 1932 to produce engine fuel for the use of operating companies in the Great Bear Lake mining field.

The value of non-metal production totalled $3,848,305, as compared with $5,313,580 during the first six months of 1931.

When transposed to Canadian funds the average prices for silver and the base metals during the period under review were as follows: silver, 32.8853 cents per fine oz.; copper, 6.6004 cents per lb.; lead, 2.2334 cents per lb. and zinc, 2.3303 cents per lb. Silver and copper prices were based on the New York market and lead and zinc on the London market.

The Department of Mines. In November, 1931, Hon. W. A. Gordon, Minister of Mines, paid his second official visit to the Western Provinces, including in his itinerary an address delivered to the Annual Western Meeting of the Canadian Institute of Mining and Metallurgy in Vancouver, and a visit to the metallurgical plant at Trail, B.C. Mr. Gordon also addressed the Annual General Meeting of the Institute (Montreal, Apr. 5-7, 1932) and in the course of his speech he congratulated the Canadian

mining fraternity on the splendid manner in which they were coping with the existing economic situation.

Close study during the year of the fuel situation by the Minister resulted in his recommending a number of revisions to existing Orders-in-Council and the passing of new Orders-in-Council which aimed at increased production of Canadian coals. (See below: The Dominion Fuel Board).

Dr. Charles Camsell, F.R.S.C., Deputy Minister of Mines, as Chairman of the Dominion Fuel Board, attended numerous conferences with coal mine operators and coal distributors in various parts of Canada with respect to questions relating to the movement of coals under Government assistance, and for the purpose of examining proposals for adjustments in the rate of assistance. In February, 1932, he gave evidence before the Duncan Royal Commission investigating the Maritime coal industry. (See Section, "The Province of Nova Scotia"). The Deputy Minister was active also in promoting the cause of trade extension in minerals and mineral products within the Empire, directing attention to the excellent opportunities for such trade in various addresses delivered before representative mining and public gatherings—in particular the Annual General Meeting of the Canadian Institute of Mining and Metallurgy in April, 1932. Dr. Camsell acted as Chairman of the Biological Conference held at Matamek, Quebec, July 24-Aug. 1, 1931, and was elected President of the Engineering Institute of Canada at its Annual General Meeting held in Toronto, Feb. 3, 1932. Appointed as one of the official advisers to the Canadian delegation to the Imperial Economic Conference to be held in July, 1932, the Deputy Minister spent much time in preparing information, for use at the Conference, pertaining to the mineral reserves available; their production and export; the import of mineral products; and their consumption in Canada.

The Dominion Fuel Board. The chief subjects under review by the Board during 1931 were: (1) the study of the coal market throughout Canada; (2) industrial, domestic and railway coal distribution; (3) freight differentials between the Western coal-fields; (4) the study of proposals to provide assistance to the movement of coal for railway use in Eastern Canada; (5) the investigation of means to obtain greater use of Canadian coal in Canadian coking plants; (6) examination of the competition offered by foreign fuels to briquettes of Canadian manufacture; (7) the study of the assistance granted to the coal trade by the governments of the various coal producing countries of the world; (8) the investigation of the cost of operation of coal mines throughout Canada; and (9) the inspection of coke plants at Halifax and Quebec and of the proposal for a plant at Vancouver.

During the period July 1, 1931, to June 30, 1932, the Board administered five Orders-in-Council to assist the Canadian coal industry as follows: (1) P.C. 2699 (Oct. 27, 1931) providing an increase in the assistance offered to export and bunker coals from British Columbia by Order-in-Council P.C. 1302; (2) P.C. 302 (Feb. 9, 1932) extending for a further period of one year to Mar. 15, 1933, the provision of P.C. 439 authorizing the movement of Alberta coal to Ontario at an established rate of $6.75 per ton; (3) P.C. 827 (Apr. 15) amending P.C. 1303 to limit the assistance payable to a maximum of $1.20 per net ton; (4) P.C. 944 (Apr. 26) providing assistance to the use of Canadian coal in Canadian coking plants; and (5) P.C. 1048 (May 9) assisting movement of Maritime coals to points in Quebec and Ontario, Nova Scotia coal by water and rail, and all-rail; Maritime coal *via* water to points west of Montreal Island and Maritime coal for railways. (See Sections: "Federal Administration and Politics" and "Province of Nova Scotia").

The only change in the membership of the Board consisted in the resignation of C. C. Ross on June 25, 1931.

Mining Companies. The Consolidated Mining and Smelting Company of Canada Limited in its fiscal year ended Dec. 31, 1931, reported a loss for the year after all charges, but before payment of dividends, of $783,157

compared with a net profit of the previous year of $2,393,977 and $8,991,642 in 1929.

An operating profit of $813,736 was shown in the Annual Report of the Dominion Steel and Coal Corporation Limited and its associated Companies, Dominion Coal Company and Nova Scotia Steel and Coal Company for the year 1931. The figure compared with $2,296,390 in 1930. After payment of interest on debenture stock and interest on secured loans there was a balance of $15,338. Provision for depletion and depreciation amounting to $587,368 caused a deficit of $572,129 which reduced the carried over operating surplus to $305,969. Charles B. McNaught resigned from the Presidency of the Corporation in February, 1932, owing to ill-health and Maj.-Gen. Hon. Sir Newton Moore, of London, England, took his place.

A General Survey of Canadian Fisheries

According to the Report of the Department of Fisheries (Minister: Hon. E. N. Rhodes, K.C., and Deputy Minister: W. A. Found) production from Canada's commercial fishing operations in 1931 (subject to final revision) had a marketed value of $30,683,000 in round figures, as compared with $47,804,000 in 1930. The marketed value of the production from the sea fisheries was $25,783,000, a decrease of nearly $15,670,000, while the output from the Inland fisheries, $4,900,000, was less by $1,450,000 than that of the previous year.

Saskatchewan's marketed value for the year showed a gain, as did also the Yukon Territory to a small extent, but in the case of each of the other Provinces there was a decrease. British Columbia continued to rank first in point of marketed value, although its value total, $11,109,000, was less than half as great as that of the preceding year. Nova Scotia, $7,986,000, came second and then in order, New Brunswick, $4,170,000; Ontario, $2,477,000; Quebec, $1,953,000; Manitoba, $1,242,000; Prince Edward Island, $1,079,000; Saskatchewan, $453,000; Alberta, $185,000; Yukon Territory, $29,600.

The year's sharp reduction in the marketed value total for the Dominion was due, of course, to adverse economic conditions which existed throughout the world. The unsettled and uncertain marketing situation, and generally lower prices, kept down production and caused decreased returns from such production as took place. In all three divisions of the country's fisheries—Atlantic, Inland and Pacific—more fish could have been taken than were actually landed. No depletion was apparent in the runs and schools of fish but there was much less incentive than usual for the fishermen to undertake intensive operations. With fishing generally curtailed during 1931, the catches of most of the principal fish and shellfish taken commercially were smaller than in 1930 with the exception of the catch from the lobster fishery, an Atlantic Coast fishery only, totalling 43,500,000 lb., the largest catch in some years and more than 2,800,000 lb. above the 1930 figures; the combined herring catches, Sea and Inland, about 27,200,000 lb. greater than in the year before; the total landings of mackerel, smelt, perch, ling cod, eels, and trout which showed substantial increases; and the swordfish and oyster fisheries in which smaller gains were recorded. The salmon catch was greatly decreased from the previous year, a condition chiefly due to the curtailment of operations in British Columbia as a result of the unsatisfactory state of the export markets for canned salmon. The landings of halibut were smaller than in 1930 as was also the catch of whitefish, the chief commercial fish of Inland waters. The catches of cod, haddock, hake and cusk, which are largely used in the dried fish trade, all fell off, a state of affairs which reflected the more or less chaotic condition of the export market for dried fish.

Much the greater part of Canada's annual fisheries production goes into export trade, but in 1931 the effect of unfavourable world conditions was seen in a reduction of approximately $6,000,000 in the value of fish and fishery products exported from the Dominion, the sales abroad amounting to a little less than $25,900,000. The largest items entering into this export business were canned salmon, $5,910,000; canned lobsters, $3,113,000; and dried codfish,

$2,423,000. On a value basis the ratio of exports to imports was not far short of ten to one.

Both in the primary operations of catching and landing fish and in the work of the fish canning and curing establishments, fewer people were employed during 1931, the total number being 69,400 as against about 79,000 in the preceding year. The capital investment totalled $45,351,000, a decrease of approximately $18,675,000, the larger part of which was in the investment in canning and curing plants, and was due to a reduction in the number of salmon canneries in operation on the Pacific Coast.

Fishery Enactments. During the Session of 1932 legislation was passed by Parliament amending the general Fisheries Act and amending the Fish Inspection Act. The Amendments to the Fisheries Act made a number of changes, including the deletion of former sections relating to the licensing of fish canneries, reduction plants, etc. Apart from this deletion, which was consequent upon a decision by the Privy Council that the sections in question were *ultra vires*, the most important and most interesting changes were probably those widening and strengthening the provisions relating to the construction and maintenance of fishways in streams where power or mill dams, or other obstructions, make it necessary to have fish-passes to protect and conserve fish stocks. Chief among the new provisions as to fishways, perhaps, was one that required that in cases where it was not feasible to construct efficient facilities to enable fish to make their way past obstructions, the owners or occupiers of the dams might be called upon by the Minister of Fisheries to meet the cost of constructing, operating, and maintaining such complete fish hatchery establishments as would keep up the annual run of migratory fish. This provision might be put into effect in any case where it was determined by the Minister that the construction of "an efficient fishway or canal around the slide, dam, or other obstruction is not feasible, or the spawning areas above such slide, dam, or other obstruction are destroyed."

The Amendments made to the Fish Inspection Act provided, chiefly, that after Jan. 1, 1933, fish coming under the Act (such as pickled herring, pickled alewives or gaspereau, pickled mackerel, and pickled salmon other than mild-cured salmon) should not be bought, sold, or shipped unless they and their containers had been inspected by a duly authorized officer and found to comply with regulations made under the Act. Sale, purchase, or shipment of containers for fish coming under the Act was also forbidden after Jan. 1 unless they had been approved by an inspecting officer as complying with the regulations as to manufacture and marking. The amended Act also authorized regulations to provide for the grading and inspection of oysters and regulations as to the size and marking of containers used in shipping oysters to market. A further provision, which, like the others, was to become effective in January, 1933, required that all fish imported into Canada should show "the name and address of the packer, or the license number of the packer." Before that date it was not necessary that these details should be shown, although the country of origin, the kind and grade of fish, etc., had to be indicated and the containers had to be similar in character and equal in quality to those required for Canadian products coming under the Act.

With a view to ensuring that the production of dry-salted herring should be of proper standard quality regulations made under the Fish Inspection Act were amended by Order-in-Council in September, 1931, to provide for a daily visit of an Inspector to each packing plant during the season, to lengthen the time the fish must remain in the salting tanks and to lay down certain other requirements as to the methods of processing. All of the dry-salted salmon produced in Canada is put up in British Columbia and save for a very small quantity the entire annual output is for the market in the Orient. In order that the inspection under the amended regulations might be made fully efficient, Fishery Officers of the Department in British Columbia

who would carry out the inspection work were given a special course of instruction at the Pacific Biological Station prior to the beginning of the 1931-32 dry-salted season.

Under Orders-in-Council passed by the Dominion Government on Apr. 4, 1932, a system of inspection of British Columbia canned salmon by a permanent Federal Board of Inspection became operative on June 1. Under the inspection regulations—under the Meat and Canned Foods Act—all British Columbia canned salmon, whether intended for domestic or export sale, must be subjected to inspection by the Board of Inspection before leaving the producers' hands, and certificates be issued by the Department of Fisheries for all shipments approved by the Board as being above second quality. No certificates would be issued for second grade fish and it was not permissible for producers to ship such fish to market except in cans bearing in clearly embossed letters of specified size and location the words "Second Quality." Should any canned salmon be found to be below "Second Quality" in standard the fish would be confiscated and either destroyed or used by the Department of Fisheries for some other purpose than human food. The regulations provided that at least twelve cases of fish should be withdrawn from each parcel of one hundred cases or less submitted for inspection and various other numbers of cases where larger parcels were inspected. Any one member of the Board of Inspection, might inspect any parcel of salmon, and, should he find it to qualify for certification, no further inspection would be required, but should the fish be found to be of "Second Quality" or below that standard, a re-examination by the whole Board must be made. All decisions of the Board would be final, whether made unanimously or by a majority of the members.

Important steps in connection with the conservation of the Pacific halibut fishery were taken early in 1932 when the waters covered by the Northern Pacific Halibut Convention, made between Canada and the United States several years before, were divided into specified areas and limitations were put upon the catches in certain of these regions for the 1932 fishing season. A portion of the waters off the coast of Alaska and an area off the north coast of Graham Island, British Columbia, which have been found to be frequented by small immature halibut, were also closed to all halibut fishing so that they might serve as "nurseries." The regulations were formulated by the International Fisheries Commission, which operates under the Halibut Convention, and they became effective in February, 1932, when, as required by the Convention, they had been approved both by the Governor-in-Council and by the President of the United States.

In addition to defining areas, putting limitations on catches in some areas, and closing "nurseries" to halibut fishing, the new regulations also made it necessary for halibut fishing vessels to obtain licences from the International Fisheries Commission prior to beginning operations and to make statistical returns, for the purposes of the Commission, showing the amount of halibut taken within each of the areas defined by the regulations. Persons, firms, or corporations buying halibut from fishing vessels might likewise be required to keep, and furnish to the Commission full record of each purchase of halibut which they might make. The new regulations also modified the "close season" under the Treaty so that it extended from Nov. 1 in each year to Jan. 15 following, instead of from Nov. 1 to Feb. 15.

Passamaquoddy Bay Power Dams. In the course of 1931 a joint investigation was begun by Canada and the United States with a view to determining the probable effect of proposed large power dams in the Passamaquoddy Bay area upon the herring fishery and other fisheries off Southwest New Brunswick and Northern Maine. Mr. W. A. Found, Deputy Minister of Fisheries, and Dr. A. G. Huntsman, of the staff of the Biological Board of Canada, were named by the Dominion Government as the Canadian members of the Commission in charge of the investigation, and Mr. Henry

O'Malley, United States Commissioner of Fisheries, and Mr. O. E. Sette, officer in charge of Atlantic fisheries investigations for the Bureau of Fisheries, Washington, D.C., were appointed by the United States. Mr. Found was chosen by the commissioners as Chairman. The Commission established its research headquarters at the Atlantic Biological Station, St. Andrews, N.B., and appointed as its Executive Secretary Dr. Charles J. Fish, Director of the Museum of Science, Buffalo, N.Y., who was also carrying on the zooplankton studies necessary to the investigation. Other scientists of note engaged by the Commission to cover particular phases of the investigation were: Dr. H. H. Gran, of the staff of the University of Oslo, Norway, Dr. E. E. Watson, of Queen's University, Kingston, Ontario, and Mr. Michael Graham, M.A., of the scientific staff of the Ministry of Agriculture and Fisheries of Great Britain. Dr. Gran was conducting the phytoplankton work, Dr. Watson the necessary hydrographic research, and Mr. Graham was making an exhaustive study of the herring. Four other scientists of high standing were also co-operating with the Commission as members of an Advisory Board—Dr. H. B. Bigelow, Director of the Oceanographic Institution at Woods Hole, Mass., Dr. A. E. Parr, of Yale University, New Haven, Conn., Dr. A. W. H. Needler, of the staff of the Biological Board of Canada, and Professor F. R. Hayes, of Dalhousie University, Halifax, N.S.

The North American Council. This scientific body, representative of Canada, the United States, Newfoundland and France, and primarily organized with a view to co-ordinate fisheries investigations in the Atlantic waters off the North American Continent, held its 1931 Meeting in September, at Ottawa. The Meeting was attended by all the United States members: Dr. H. B. Bigelow (Director of the Oceanographic Institution of Woods Hole, Mass.), Chairman of the Council; Henry O'Malley (Federal Commissioner for Fisheries, Washington, D.C.) and Elmer Higgins (Chief of the Division of Scientific Inquiry of the United States Bureau of Fisheries). Dr. Harold Thompson represented Newfoundland. The Canadian members attending were: W. A. Found (Deputy Minister of Fisheries), Dr. A. G. Huntsman (Biological Board of Canada), Secretary of the Council, and Dr. J. P. McMurrich, of Toronto (Chairman of the Biological Board). Dr. E. LeDanois, the representative of France, was unable to be present. Several technical advisers of the Canadian and United States Fisheries Services attended the Meeting, including Dr. A. W. H. Needler, of the Biological Board staff, H. F. S. Paisley, of the Department of Fisheries and O. E. Sette, Officer-in-Charge of Atlantic fisheries investigations for the United States Bureau of Fisheries, as were Dr. Charles J. Fish, Dr. H. H. Gran, and Michael Graham, three of the scientists who had been engaged to prosecute research work for the joint Commission named during the year by Canada and the United States to carry on investigations to determine the probable effect of proposed power dams on the fisheries of the Passamaquoddy Bay region.

Presentation of information indicating the possibility that experiments under way during 1931-32 would result in the development of a trawl which would lessen the capture of immature fish in haddock fishing operations was an important feature of the Meeting. With existing gear, large numbers of undersized haddock were inevitably taken and the perfecting of the new trawl would, it was believed, be a development of first rate value in the conservation of the stocks of haddock, a species of great importance in the Atlantic fisheries of North America. The experiments toward developing the new trawl, which had already been used with a good deal of success in some test fishing, were being conducted by W. C. Herrington, one of the investigators in the service of the United States Bureau of Fisheries.

Reports of scientific and technical character were submitted dealing with cod, haddock, and mackerel investigations, water temperature studies, drift bottle investigations, and the work which was being done under the Passamaquoddy Commission. Some tests made by Canada in the use of bait in different forms were also outlined and a report was given of a preliminary

study made by Newfoundland of the life history of certain bait fishes. The various investigations were being continued. Much gratification was expressed by the Council at the initiation of fisheries research work by Newfoundland and the energetic way in which various investigations, useful to all the co-operating countries, had been set in motion by Dr. Harold Thompson, noted Scottish fisheries authority, who was engaged in 1930 as Director of Newfoundland Fisheries Research.

Incidents of the Year. In addressing the Annual Convention of the Canadian Fisheries Association in Ottawa (Sept. 14-15, 1931) Hon. E. N. Rhodes, Minister of Fisheries, stated that the Federal Government was willing to co-operate with the Association in organizing a publicity campaign to bring about the increased consumption of fish in Canada. A. H. Brittain, Montreal, was re-elected President of the Association, and Captain F. W. Wallace was permanent resident Vice-President.

The Canadian defender, the fishing schooner, *Bluenose,* with Captain Angus Walters, Lunenburg, Nova Scotia, won the fishermen's international race of the North Atlantic over the United States challenger, *Gertrude L. Thebaud,* on Oct. 20, 1931. *Bluenose* had been champion for the previous nine years during which six races had been run.

On Oct. 21, 1931, the Federal Department of Fisheries announced the appointment of Major Donald H. Sutherland of Pictou, N.S., as Chief Supervisor of Fisheries for the Eastern Division, embracing Nova Scotia, New Brunswick, Prince Edward Island and the Magdalen Islands. This office was formerly held by Ward Fisher, who had been transferred to Ottawa several years previously, R. S. Shreve having been acting Chief Supervisor in the intervening period.

The main feature of the Annual Convention of the United Maritime Fishermen, held in Halifax on Oct. 28-30, was the stress laid by speakers on the need for co-operative effort among those engaged in the industry. Resolutions were passed urging United Maritime co-operation between fishermen, farmers, fruit growers, miners and lumbermen to work for protective legislation for all Maritime natural resources, including power. Alfred Hanlon, Canso, N.S., was elected President.

A strike was launched for two weeks in December, 1931, by the North Sydney Branch of the United Maritime Fishermen, in protest against low prices paid for fish by the North Sydney buyers. An agreement was finally reached whereby the two local buyers would handle the catches of all the local boats at a general increase of one-quarter cent per lb. for all classes of fish.

At a meeting of the Board of Directors of the United Maritime Fishermen on Jan. 22, 1932, a programme was drawn up for submission to the Federal Government requesting the establishment of a Division of Co-operative Marketing for Fisheries within the Agricultural Economics Branch or within the Department of Fisheries itself; urging the institution of some definite system of marketing, transportation, cold storage, etc., to include the whole of the Maritimes; and claiming that assistance, similar to that given to the agricultural industry, should be afforded the fisheries industry by the Federal and Provincial Governments. On the invitation of the Department of Fisheries, the President and Vice-President of the Federation left for Ottawa after the Meeting, where they were to confer with the Department on Jan. 26.

Hon. E. N. Rhodes who had been the head of the Department of Fisheries since the formation of the Bennett Government, relinquished the Fisheries Portfolio in February, 1932, on his appointment as Minister of Finance. Hon. Alfred Duranleau, M.P., Minister of Marine, was then named as Acting Minister of Fisheries. During the year 1931 official visits to both coasts of the Dominion were made by the Deputy Minister, W. A. Found. In British Columbia he met representatives of different

branches of the fishing industry at several meetings when questions relating to the fisheries of the Province and their regulation were discussed, and he also held consultations with Pacific coast officers of the Department. On the Atlantic coast he was one of the speakers before a conference of the supervisors and inspectors of the Department's Eastern Division, which was held at Halifax.

The Hydro-Electric and Central Station Industry in 1931-32

The net increase for the year 1931 of water power installation in the Dominion was 541,325 h.p., bringing the total installation in water wheels and turbines to 6,666,337, about 15½ per cent. of the recorded water power resources of the Dominion, which permit of a turbine installation of approximately 43,700,000 h.p. The installations actually completed during the year 1931 resulted in an expenditure, for the generation, transmission and distribution of the new power developed, of not less than $110,000,000, while it was estimated that an additional $280,000,000 would be required to bring those plans actually under construction to completion. (Report on Water Power Resources of Canada, issued by the Department of the Interior, on Feb. 1, 1932).

During the year, Quebec led the other Provinces with new installations totalling 382,200 h.p., owing to the completion of the Chute-à-Caron plant on the Saguenay River by the Alcoa Power Company, this being the largest single addition of the year with a total capacity of 260,000 h.p. This plant was the initial step in the Shipshaw development which was to have an installation of 800,000 h.p. Other installations in Quebec were: a 34,000 h.p. unit, added by the Gatineau Power Company to its Paugan Falls station, raising its capacity to 238,000 h.p.; 112,000 h.p. from the joint development of the Ottawa Valley Power Company and the Hydro-Electric Power Commission of Ontario at Chats Falls, on the Ottawa River; and a 32,000 h.p. unit added to its La Gabelle station on the lower St. Maurice River by the Shawinigan Water and Power Company. Construction work on the 500,000 h.p. Beauharnois development on the St. Lawrence (of which 250,000 h.p. was contracted for by the Ontario Hydro-Electric Power Commission) made rapid progress during the year and the initial installation of 200,000 h.p. was scheduled for operation in October, 1932. 130,000 h.p. was being installed at Masson Falls by the MacLaren-Quebec Power Company.

Manitoba had a total of 79,000 h.p. in new installations during the year, 55,000 h.p. being produced by the North-western Power Company's station at Seven Sisters Falls, which commenced operation on July 15, 1931, $11,000,000 having been expended on an installation of 112,500 h.p. The plant had an ultimate capacity of 225,000 h.p., on which it was estimated that the total expenditure would be $23,000,000. At the Slave Falls plant, of which the ultimate capacity was 96,000 h.p., 24,000 h.p. was brought into operation by the City of Winnipeg.

Ontario's total of 57,100 h.p. was made up of the power produced from the operation of the joint development of Chats Falls by the Ontario Hydro-Electric Power Commission and the Ottawa Valley Power Company and 1,150 gained by the installation of a larger unit by the Great Lakes Power Company of Sault Ste. Marie. The Powell River Company brought its new plant into operation on Lois River, British Columbia, with the initial installation of 24,800 h.p. The Nova Scotia Power Commission reconstructed the Rapid Falls development, formerly operated by the MacLeod Pulp and Paper Company, installing 1,350 h.p. to provide increased power for the Mersey Paper Company and to supply the Mushamush and Markland systems. (See also Sections of individual Provinces).

The output of central electric stations during 1931 amounted to 16,610,000,000 k.w.h., according to the Report on *Production and Use of Electric*

Energy in Canada, issued by the Dominion Bureau of Statistics. The 24 large stations generated 94 per cent. of the total, while the output of the four largest was 60 per cent. The motors in the pulp and paper industry, operated on power purchased from central electric stations, had a rated capacity of 993,024 h.p. in 1930, having increased by 81 per cent. between 1926 and 1930.

During 1931 the export of electricity to the United States amounted to 1,235,325,000 k.w.h. or 7.4 per cent. of the total output. Of this, 170,783,000 k.w.h. was surplus power exported by the Hydro-Electric Power Commission of Ontario and the Canadian Niagara Power Company from the Niagara plants, which was a decrease from the surplus exported in 1930 of 231,536,000 k.w.h. The imports were small, amounting to only 5,610,611 k.w.h.

The Province of Manitoba showed the greatest percentage of equipment driven by electricity with 88 per cent.; Ontario was second, with 80 per cent. and Quebec third, with 72 per cent. With respect to power used the pulp and paper industry was the dominant factor in New Brunswick and Quebec, accounting for 53 and 60 per cent., respectively, of the total power equipment in these Provinces, and for 73 and 63 per cent., respectively, of the electric motors in manufacturing industries.

Manufacturing Industries in 1931-32

The Manufacturing industries of Canada, concentrated largely in the Provinces of Ontario and Quebec, according to a preliminary Report of the Dominion Bureau of Statistics for the year 1930 (latest available) embraced 24,020 establishments representing a capital investment of $5,203,316,760 and furnished employment to 644,439 persons who were paid $736,092,766 in salaries and wages and produced goods valued at $3,428,970,628. $1,666,983,902 was spent for materials, leaving the value added by manufacture at $1,761,986,726. Drastic declines in 1930 in the values of raw materials used in the manufacturing industries with the consequent declines in the values of finished products, accounted for the greater part of the decrease of $600,400,712 or 14.9 per cent. as compared with 1929 in the gross value of manufactured products. The yearly index number of wholesale prices in Canada dropped from 95.6 in 1929 to 86.6 in 1930, a decrease of 9.4 per cent. The decrease of 49,995 or 7.2 per cent. in the number of persons employed, gives an idea as to the extent of the recession experienced by the manufacturing industries of Canada in 1930. (See Statistical Survey Section). The following table gives the percentage variation in employment and gross value of products in 1930 compared with 1929 by Provinces:

Provinces	Percentage Increase or Decrease	
	Employes	Gross Value of Products
CANADA	— 7.2	—14.9
Prince Edward Island	— 3.7	— 8.3
Nova Scotia	+ .5	— 8.3
New Brunswick	— .5	—10.4
Quebec	— 4.1	—12.5
Ontario	— 9.5	—17.7
Manitoba	+ .6	—13.1
Saskatchewan	— 9.9	—22.6
Alberta	+ 2.6	—11.7
British Columbia and Yukon	—16.72	—11.9

From statistics of the forty leading industries of the Dominion, the pulp and paper industry again exceeded all others in the gross value of production; the following, in order of their importance, were other leading industries: slaughtering and meatpacking, flour and grist mills, central electric stations, sawmills, butter and cheese, railway rolling stock, electrical apparatus and supplies, automobiles, and non-ferrous metal smelting and refining. The following two tables give statistics for 40 leading industries in 1930 and for others in 1931 (Reports available for 1931 are in separate paragraphs):

Statistics of the Forty Leading Industries of Canada, 1930.

	Capital $	Employees No.	Salaries and Wages $	Cost of Materials $	Gross Value of Products $
Pulp and paper	714,437,104	33,207	45,774,976	81,992,255	215,674,246
Slaughtering and meatpacking	60,778,996	9,290	12,114,667	129,004,327	164,029,953
Flour and grist mill products	62,617,007	5,923	6,679,113	119,677,686	144,855,946
Central electric stations	1,138,200,016	17,858	27,287,443		126,038,145
Sawmills	181,116,933	43,457	28,512,901	72,956,762	121,142,985
Butter and cheese	50,502,406	11,980	13,071,916	80,559,841	113,018,789
Railway rolling stock	95,785,640	25,952	37,625,050	60,289,445	104,922,701
Electrical apparatus and supplies	102,979,896	20,568	26,260,004	43,111,629	104,577,790
Automobiles	90,671,678	12,541	19,473,782	66,924,019	101,677,487
Non-ferrous metal smelting and refining	175,010,686	8,626	13,796,124	45,310,472	100,946,136
Petroleum products	70,334,381	5,134	8,190,130	71,800,429	91,787,205
Tobacco, cigars and cigarettes	51,376,115	8,905	7,837,711	24,286,734	85,671,786
Castings and forgings	100,318,189	20,499	25,871,261	28,262,602	74,233,671
Rubber goods, including footwear	69,164,512	15,163	15,895,479	28,821,759	73,752,673
Bread and other bakery products	51,914,170	17,736	19,444,533	36,582,843	73,594,894
Printing and publishing	66,860,624	17,063	26,937,052	15,993,916	72,013,171
Clothing, factory, women's	23,432,441	16,782	16,483,011	35,759,351	61,815,948
Biscuits, confectionery, chocolate, etc.	54,406,093	12,291	11,104,668	25,044,901	58,059,602
Breweries	67,637,142	4,642	6,756,634	16,534,273	57,521,089
Hosiery, knit goods and fabric gloves	65,047,351	18,570	15,057,147	25,509,913	54,117,924
Machinery	69,454,103	11,044	15,089,887	18,326,621	53,749,482
Primary iron and steel	112,079,926	9,723	14,934,325	22,765,648	52,588,935
Cotton, yarn and cloth	78,542,804	16,999	13,004,793	27,975,574	48,692,878
Sheet metal products	53,368,130	8,728	10,452,887	25,090,342	47,067,479
Sugar refineries	43,855,155	2,281	3,560,260	30,610,701	42,935,722
Clothing, factory, men's	26,294,787	10,836	11,542,990	21,533,514	40,819,423
Boots and shoes, leather	28,162,582	13,922	12,858,062	20,521,726	40,478,911
Printing and bookbinding	38,837,176	11,567	15,663,048	11,942,885	37,941,787
Furniture and upholstering	41,495,827	11,980	12,774,596	13,817,450	36,866,195
Coke and gas products	89,987,235	3,970	5,864,802	17,082,364	36,592,859
Planing mills, sash and door factories	49,333,121	9,651	10,981,763	19,220,215	36,483,594
Fish curing and packing	30,827,607	10,558	4,302,854	21,081,489	32,973,308
Fruit and vegetable canning, preserving, etc.	35,119,475	9,137	4,155,595	19,816,763	31,458,415
Agricultural implements	98,684,828	7,405	9,564,049	11,353,523	26,902,139
Bridge and structural steel work	28,922,951	4,943	8,686,062	12,549,435	26,055,783
Dyeing, cleaning and laundry work	28,351,092	12,732	12,141,767	2,807,911	25,472,664
Brass and copper products	26,820,527	5,297	6,742,752	13,355,186	25,412,225
Furnishing goods, men's	17,597,012	8,965	6,437,718	14,790,909	25,154,310
Distilleries	61,533,825	1,965	2,435,934	6,616,520	24,925,861
Paints, pigments and varnishes	26,212,828	2,835	4,307,998	11,094,435	23,966,502
Total forty leading industries	4,278,072,371	500,725	569,675,744	1,350,776,368	2,715,990,613
Total all industries	5,203,316,760	644,439	736,092,766	1,666,983,902	3,428,970,628
Percentage of forty leading industries to all industries	82.22	77.70	77.39	81.03	79.21
1931.					
Slaughtering and meatpacking	62,481,905	9,294	11,626,678	91,276,842	117,596,697
Petroleum products	67,878,413	4,099	6,182,374	50,460,541	75,985,478
Railway rolling stock	97,484,985	21,773	28,111,765	35,335,573	67,865,070
Sugar refining	37,691,433	2,265	3,307,730	29,196,494	43,962,061
Biscuit, confectionery, cocoa and chocolate	51,530,443	12,145	10,892,636	20,207,678	49,285,042
Fruit and vegetables, canned, etc.	37,858,519	5,038	3,209,963	14,317,429	22,634,065
Coke and gas	95,872,858	4,006	5,616,763	13,894,061	31,249,460
Distilled liquor	55,863,010	1,822	2,223,477	5,463,753	13,055,971

The Textile Industries, 1930 and 1931. The textile industries in Canada in 1930 (the latest statistics available), reported a gross value of production of $361,814,733, a decrease of $64,432,854 from 1929 and the smallest amount of merchandise produced in the industry in the previous five years. For the group as a whole, there was also a decline of $14,586,154 in the capital invested, 6,044 in the number of persons employed and $7,993,141 in the amount paid them in salaries and wages. The cost of raw materials declined by $35,740,385, and the value added by manufacture by $28,692,469.

The total gross value was divided among the different commodities as follows: cotton textiles, $58,587,366 in 1930 compared with $90,079,956 in 1929; woollen textiles, $27,497,530 compared with $35,179,599; silk and silk goods, $17,808,598 compared with $14,476,080, the only industry to report an increase in 1930; knit goods, $54,117,924 as compared with $61,097,752; garment trades, $147,576,638 as compared with $168,605,156; miscellaneous textiles, $30,754,013 as compared with $30,249,759; and dyeing, cleaning and laundry work, $25,472,664 as compared with $26,559,285.

In the year 1931 the total gross value of production of the four sections of the woollen industry aggregated $25,456,037 and of the silk industry, $18,187,492.

Imports of fibres, textiles and textile products were valued at $149,149,944 in 1930, a decrease of $49,778,904 in comparison with 1929. Of the total imports $40,061,699 was for cotton and its products; $39,345,915 for wool and its products; $21,000,571 for silk and its products; $13,780,922 for artificial silk; $11,807,906 for flax, hemp and jute products and the balance for mixed textiles and other fibres n.o.p. Imports from the United Kingdom showed a decrease of $15,801,297 in 1930; from the United States a decrease of $24,571,514 and from other countries a decrease of $9,404,093. Exports of fibres, textiles and textile products valued at $7,302,096 in 1930 represented a decrease of $2,169,884 from the 1929 figures of $9,471,980. Of the total exports in 1930, the United Kingdom received $1,064,976, an increase of $83,731 over 1929. The United States accounted for $2,481,990 which was a decline of $1,892,972 from the 1929 figures of $4,374,962, and the total exports to all other countries amounted to $4,115,773 in 1929 and $3,755,130 in 1930, a decline in 1930 of $360,643.

Construction. During 1931 there was a considerable decrease in construction activities in 61 leading municipalities according to revised data compiled by the Dominion Bureau of Statistics. The value of building authorizations aggregated $112,222,845, as compared with $166,379,325 in 1930, and $234,944,549 in 1929 and the annual average of $157,144,865 reported in the eleven years, 1920-1930 inclusive. Prices of building materials, however, showed a considerable decline, while there was a smaller decrease in the cost of building labour. Thus the actual reduction in the volume of building work was not so pronounced as the dollar decline in building authorizations would indicate. The index number of wholesale prices of building materials, calculated by the Internal Trade Branch of the Bureau upon the 1926 average as 100, averaged 82.6 in 1931 compared with 90.9 in 1930, 99.0 in 1929, 98.1 in 1928 and 96.1 in 1927, while the index was 100 or over in each of the seven preceding years. The index number of wage rates in the building trades, prepared by the Labour Department, averaged 195.7 in 1931, compared with 203.2 in 1930, 197.5 in 1929, 185.6 in 1928, and 179.3 in 1927. The 1913 figures are the base, equal to 100, upon which these wage index numbers are computed. The MacLean Building Review's monthly tabulation of the value of contracts awarded throughout the Dominion during 1931 showed a total of $315,482,000, as compared with $456,999,600 in 1930, $576,651,800 in 1929, $472,033,000 in 1928, $418,951,000 in 1927, $372,947,000 in 1926 and $297,973,000 in 1925. There was, therefore, a decrease of 30.9 per cent. as compared with 1930, while the total of 1931 was also lower than in any preceding year since 1925.

Iron and Steel and Their Products, 1931. Preliminary figures compiled by the Dominion Bureau of Statistics indicated that the production of iron and steel and their manufactures was valued at $385,189,061 in 1931. This total was $184 millions or 32 per cent. below the corresponding value for 1930. An average of 99,150 persons were given employment by the 1,248 establishments reporting in 1931 and to these workers was paid a total of $122,577,587 in salaries and wages. Materials used in manufacturing cost

$176,116,346, and the value added by manufacturing, or the net value of products, was $209,072,715 compared with $288,032,111 in 1930, a decline of 27 per cent. The selling value of products at works was $385,189,061, compared with $569,745,073 in 1930 and $525,921,839 in 1927. There were 14 main industrial groups in the industry and each reported lower output values in 1931 than in the previous year, the greatest decline being in the automobile manufacturing industry which dropped $42 millions to $59,674,345. The railway rolling stock industry decreased $37 millions to $67,865,070; the castings and forgings group declined $22 millions to $52,426,377, and the primary iron and steel industry decreased $16 millions to $36,911,245. Other declines were: agricultural implements, $15.2 millions to $11,734,256; machinery, $14.8 millions to $38,983,748; miscellaneous, $8.5 millions to $4,466,067; hardware and tools, $8.1 millions to $13,348,890; auto supplies, $5.8 millions to $12,669,527; sheet metal products, $4.7 millions to $42,313,261; wire and wire goods, $4.1 millions to $14,191,850; bridge building and structural steel, $4 millions to $22,096,933; boilers, tanks and engines, $2 millions to $7,586,798, and the bicycle industry, $1 million to $920,694.

Imports into Canada of iron and steel and their products during the calendar year 1931 reached a total value of $116,209,368 as compared with $223,691,315. About 83.6 per cent., of $97,126,666, of the imports of this class came from the United States and 12.2 per cent., or $14,141,978 from the United Kingdom; in 1930, the percentages were 87.6 per cent. and 8.4 per cent. respectively. Exports of Canadian-made iron and steel products were appraised at $19,086,492 in 1931 as against $47,565,525 in 1930.

Non-ferrous Metals and Minerals, 1931. Manufactures of the non-ferrous metals in Canada during 1931 were valued at $222,558,324, or 11.2 per cent. below the corresponding total for the previous year, according to the preliminary figures compiled by the Dominion Bureau of Statistics. The 449 plants in operation during the year employed an average of 35,566 persons and paid in salaries and wages a total of $48,379,429; expenditures for manufacturing materials (excluding fuel for power) amounted to $103,138,437. Of the seven separate groups into which this industry was divided, each showed a decline in output value in 1931. Production from the electrical apparatus and supplies industry declined $14.3 millions to $90,226,158, the brass and copper products group dropped $7.4 millions to $17,980,598, non-ferrous smelting and refining showed a loss of $2.4 millions to $98,565,755, the jewellery and silverware industry was off $1.7 millions to $7,572,589, the white metal alloy group declined a million dollars to $4,137,600, aluminium products decreased to $3,597,764 from $4,343,436, and the output value of the firms listed in the miscellaneous non-ferrous metal products industry dropped to $477,860 from $758,425. Imports into Canada during 1931 were valued at $38,666,648 as against $68,309,300 in 1930. Of this total, 80 per cent. came from the United States and 12 per cent. from the United Kingdom. Exports in 1931 were appraised at $73,841,502 of which $41,198,155 went to the United States and $17,069,285 to the United Kingdom. In 1930 exports totalled $115,766,626. Re-exports amounted to $719,791 in 1931 and $1,426,152 in 1930.

Manufactures of non-metallic minerals in Canada during 1931 (preliminary figures), as reported by the Dominion Bureau of Statistics, were valued at $181,508,107, a decline of over $35,000,000 from 1930 which totalled $216,812,827, and which, in turn, was $25,000,000 lower than in 1929. Of the 15 main products under this group, only the cement products industry and the salt industry showed higher output values than in the preceding year. Cement products rose slightly to $3,753,059 from $3,718,704 while the salt industry advanced to $1,904,149 from $1,694,631. Lower output values for the petroleum industry and the coke and gas industry together accounted for more than half of the decline for the non-metallic group as a whole. Although the petroleum refineries produced more gasoline than in the previous year lower prices brought down the gross value of output for the industry to $75,985,478 from $91,787,205, and the curtailed activity of the Canadian iron

and steel trade, together with lowered output value, resulted in a decline of the coke and gas industry from $36,592,859 in 1930 to $31,711,753 in 1931. Other declines less in volume, were noted. Imports into Canada of non-metallic minerals and their products totalled $106,087,909 in 1931, as compared with $164,848,720 in 1930, of which the United States supplied 76.9 per cent. and the United Kingdom, 9.9 per cent. Exports and re-exports from Canada during 1931 were valued at $15,692,974 as against $23,768,580 in 1930. Of the 1931 total $9,802,975 went to the United States and $1,173,729 to Great Britain.

Other Manufacturing Industries in 1931. The output value in 1931 of production of chemicals and allied products in Canada, according to a Preliminary Report issued by the Dominion Bureau of Statistics, was $101,137,499 as compared with $119,969,637 in 1930. 10 of the 14 main groups showed declines while 4 reported a higher production than the previous year. Toilet preparations at $5,172,039, polishes and dressings at $1,475,058, and flavouring extracts at $1,609,501, all showed slight gains, and the products of the fertilizer industry increased from $2,504,573 in 1930 to $4,147,315 in 1931. Production of acids, alkalies and salts group suffered the greatest decline, from $20,111,602 in 1930 to $10,767,219 in 1931. The paint industry dropped from $23,966,502 to $19,182,327; soaps and washing compounds industry decreased from $18,167,838 to $16,822,000; medicinal and pharmaceutical preparations declined 14.4 per cent. to $15,206,176; compressed gases, 23 per cent. to $2,752,558; coal tar products, 23 per cent.; inks, 10 per cent.; adhesives, 9 per cent. and the miscellaneous group, 6 per cent. Imports of chemicals declined to a total of $31,336,994 in 1931 from $36,785,050 in 1930, of which about 67 per cent. were from the United States, 13 per cent. from the United Kingdom and 8 per cent. from Germany. Exports totalled $10,848,946 as compared with $16,320,506 in the previous year of which over 42 per cent. was sold to the United States, 27 per cent. to the United Kingdom and 10 per cent. to Mexico.

Of the miscellaneous group the shipbuilding, production of scientific and professional equipment, musical instruments, mattresses and springs, and brooms, brushes and mops were the leading industries. They all reported considerable decreases in production, employment and capital invested during 1930 as compared with the preceding year. There were 452 establishments classified under the miscellaneous industries group in 1930 with a capital investment of $84,912,229, an employment of 14,328 persons who received $17,640,108 in salaries and wages. They spent $22,508,008 for materials and produced goods with a selling value at the factory of $57,966,137, leaving the value added by manufacture at $35,458,129.

Production from the automobile manufacturing industry in Canada during 1931 was valued at $59,674,345, or 41 per cent. less than the value of $101,677,487 of the previous year and was the lowest total reported for the industry since 1917, according to a Report issued by the Dominion Bureau of Statistics. Automobile production alone amounted to 82,559 cars with a sales value, f.o.b. plant, of $52,964,936, a decline of 46 per cent. in number and 42 per cent. in value from 1930 when 153,372 cars valued at $91,766,806 were made. These figures indicate an average factory price per car of $642 during 1931 as against $560 in 1930 and $766 in 1919. A total of 18 companies manufactured or assembled motor cars in Canada and 28 separate factories were in operation. 17 establishments for manufacturing or assembling motor cars were in Ontario, 4 in Quebec, 3 in British Columbia, 1 in Manitoba and 1 in Saskatchewan. Production in 1931 included 8,072 open passenger cars, 433 passenger car chassis, 17,487 trucks including truck, bus and other commercial chassis, to make a total of 82,559 units. In the previous year 121,337 passenger cars and 32,035 trucks were made in Canada. Imports of automobiles and parts (other than engines) amounted to a value of $21,823,404 in 1931, as compared with $43,919,049 in the previous

year, or a decline of 50.3 per cent. Imports of automobile engines declined to 22,374 valued at $4,892,369 from 34,629 worth $5,353,329 in 1930. Export trade during 1931 amounting to $6,621,510 showed a decline of $13,764,844 from the 1930 figure.

Compared with the figures for 1930 there was an advance of 28 per cent. in the number of radio receiving sets sold in Canada during the year 1931 but a decline in the amount received by the manufacturer and importer of 16 per cent. Sales in 1931 numbered 286,122 machines valued at $18,141,347 factory selling price and in 1930, 223,228 sets at $22,776,225. Sales of A.C. electric receiving sets rose to 265,364 in 1931 from 186,494 in 1930; sales of A.C. electric combination and phonograph sets fell to 13,728 from 26,470 and sales of battery sets dropped to 6,335 from 9,682. Production of sets in 1931 followed sales closely, a total of 291,711 machines having been made.

Canadian Manufacturers' Association. The national association of manufacturers was the C.M.A. with a membership at Apr. 30, 1932, of 3,708. Its head office was in Toronto and it had Division and Branch offices in Montreal, Quebec, Amherst, Ottawa, Hamilton, Winnipeg, Edmonton, Vancouver and Victoria. W. H. Miner, Granby, P.Q., was President; James E. Walsh, Toronto, General Manager, and John T. Stirrett, Toronto, General Secretary. Its Executive Council met four times during the year:—Toronto, Sept. 4; Montreal, Nov. 5; Hamilton, Jan. 8; and Toronto, Mar. 8. At the meeting on Sept. 4 a statement was presented setting forth the general principles which had so far guided the efforts of the Association in its conduct of the Produced-in-Canada campaign; the lines along which these efforts had been directed and plans adopted for the continuance and strengthening of these efforts. In connection with this it was reported that steps had been taken to co-operate with the Minister of Labour and with provincial and municipal governments to ensure that moneys granted for unemployment relief works would be spent on Canadian services and materials. The same subject was prominent at the meeting of the Council on Nov. 5, when it was stated that Division and Branch committees were keeping a careful check on public works which were being undertaken in their respective areas to provide employment or as relief works in order to make sure that Canadian materials were being used. At this meeting a resolution was adopted and forwarded to the Prime Minister, "that in the event of an agreement being completed between Canada and the United States in regard to the improvement of the St. Lawrence waterways, it is respectfully submitted that it should be part of the said agreement that, on sections of that development within the boundaries of Canada, Canadian services, labour and materials be used." On Jan. 8, 1932, the Council approved a recommendation of the Executive Committee that every co-operation be given by the Association to the Dominion Government and its departments in the preparation of material and statistics for the Imperial Economic Conference, while on Mar. 8 it was reported that this preparatory work was proceeding under the direction of the Tariff Department, which was collecting, classifying and analyzing much useful information and holding group meetings.

The 61st Annual General Meeting was held in the Chateau Laurier, Ottawa, June 6-8, 1932. It was of special interest to members because of the approaching Imperial Economic Conference and there was a large attendance. Conference matters were under consideration at a private session on June 7, the only information made public being a brief statement reading as follows:—"The position of the Association with regard to the Imperial Economic Conference was fully described in the address of the President, Mr. W. H. Miner, at the opening session of the Convention, yesterday. This morning's session of the Association on the Conference dealt with arrangements and technical details which will be necessary in connection with the Conference. Sympathetic and helpful co-operation was promised on behalf of the Association, in order to make the greatest possible success of the Conference." Apart

from this, chief interest of the Annual General Meeting centred in discussions on the government expenditures and taxation and on unemployment. Resolutions on both subjects were adopted. In the case of the former, the Association, while recording appreciation of efforts made to reduce expenditures and balance budgets, urged all Governments, boards and commissions to restrict still further their expenditures as far as possible consistent with maintaining necessary efficiency; recommended that the Dominion, the Provinces and the municipalities should come together in order to reach an understanding in regard to fields of taxation and asked members of the Association, their employees and the public to refrain from asking for public expenditures except those immediately necessary. On the subject of unemployment, the Association re-affirmed its support of all practical and economically justifiable measures to provide employment; asked its members to maintain their co-operation and efforts of the past two years in their own plants and elsewhere to the limit of their abilities and resources by distributing available work among as many employees as possible; favoured aided land settlement for those who wished to farm and were likely to succeed and support for those who could not get work through carefully controlled and administered direct relief. The outstanding addresses of the Convention were delivered by Hon. H. H. Stevens, Minister of Trade and Commerce; Sir William Clark, High Commissioner for the United Kingdom of Great Britain and Northern Ireland and Hon. E. N. Rhodes, Minister of Finance. The officers elected were: President, W. C. Coulter, Toronto; 1st Vice-President, George Henderson, Montreal; 2nd Vice-President, L. L. Anthes, Toronto; Honorary Treasurer, T. F. Monypenny, Toronto.

The work of the five territorial Divisions of the Association was reviewed at a series of annual meetings held prior to the Annual General Meeting. The British Columbia Division met at Vancouver on Apr. 29, (1932) and after disposing of reports heard addresses by Hon. J. T. M. Anderson, Premier of Saskatchewan, and Hon. S. F. Tolmie, Premier of British Columbia. The Ontario Division held its Annual Meeting at Oshawa on May 5, with Dr. H. B. Speakman, Director of the Ontario Research Foundation, and W. H. Moore, M.P., former Chairman of the Advisory Board on Tariff and Taxation, as the principal speakers. The Quebec Division Meeting took place in Montreal on May 11, and was of a routine character. The Prairie Division Meeting was held the same day in Winnipeg and was addressed by Hon. H. H. Stevens, Minister of Trade and Commerce. The series ended with the Meeting of the Maritime Division in Halifax on May 12. Officers elected by the Divisions were as follows:—

	Chairman	Vice-Chairman
British Columbia	F. C. Brown, Vancouver	H. Beach, Victoria
Maritime	R. J. R. Nelson, Halifax	A. E. McLean, Bathurst
Ontario	C. A. Moore, Stratford	A. R. Robertson, Toronto
Prairie	John Burns, Calgary	T. A. Wilson, Regina
Quebec	J. H. Webb, Montreal	A. McA. Murphy, Montreal

Canada's Trade in 1931-32

Among the leading countries of the world Canada, in 1931, occupied seventh place in total trade and eighth in total net imports as compared, in 1930, with fifth place in both instances, being exceeded in the latter year in value by the United States, Great Britain, Germany and France. With regard to total domestic exports Canada stood seventh in 1931 as compared with sixth in the year 1930. Germany displaced the United Kingdom in 1931 in second position in the value of domestic exports and Belgium and Argentine moved up to fifth and sixth places respectively. The same adverse factors—decline in commodity prices, depreciated currency, weakened finances, over-production, tariffs, changes in investments abroad, and the general social and political unrest—that had interfered with international trade since the Autumn of 1929, affected Canada's foreign trade during the period 1930-32, the total for the fiscal year ended Mar. 31, 1932,

showing a still further decline to that for the year ended Mar. 31, 1931; this was largely due to the further drop in commodity prices in all markets. Canada had a favourable balance of trade for the year ended Mar. 31, 1932, of $9,061,613 as against an adverse balance of $89,584,647 for the year ended Mar. 31, 1931, and a still greater unfavourable balance of $103,335,512 for the year ended Mar. 31, 1930. The following table from *The Preliminary Condensed Report on the Trade of Canada, 1932* (issued in August, 1932) gives a summary of Canada's world trade for the fiscal year 1930, 1931 and 1932:

	Years ended March 31,			Increase (+) Decrease (—) 1932 compared with—	
	1930 $	1931 $	1932 $	1930 $	1931 $
Imports—					
Dutiable	819,230,474	574,090,230	388,498,048—	430,732,426—	185,592,182
Free	429,043,108	332,522,465	190,005,856—	239,037,252—	142,516,609
Total Imports.	1,248,273,582	906,612,695	578,503,904—	669,769,678—	328,108,791
Exports—					
Canadian	1,120,258,302	799,742,667	576,344,302—	543,914,000—	223,398,365
Foreign	24,679,768	17,285,381	11,221,215—	13,458,553—	6,064,166
Total Exports	1,144,938,070	817,028,048	587,565,517—	557,372,553—	229,462,531
Total Trade..	2,393,211,652	1,723,640,743	1,166,069,421—	1,227,142,231—	557,571,322
Balance of Trade:— Favourable (+), Unfavourable(—)—	103,335,512—	89,584,647+	9,061,613+	112,397,125+	98,646,260
Six months ended:—					
September 30...—	75,706,884—	71,631,276—	16,939,057+	58,767,827+	54,692,219
March 31 .....—	27,628,628—	17,953,371+	26,000,670+	53,629,298+	43,954,041

According to groups Canada's principal imports in order, for the year ended Mar. 31, 1932, were: agricultural and vegetable products, $128,621,260 (1930-31, $177,628,778); non-metallic minerals and their products, $102,147,347 (1930-31, $153,578,658); iron and its products, $98,811,706 (1930-31, $193,933,477); and fibres, textiles and textile products, $83,879,362 (1930-31, $130,717,022). With regard to exports of Canadian produce, agricultural and vegetable products came first with a total of $204,398,365 (1930-31, $292,280,037); then wood, wood products and paper, $175,740,269 (1930-31, $230,604,474); non-ferrous metals and their products, $69,072,888 (1930-31, $95,652,063); and animals and animal products, $68,798,683 (1930-31, $83,714,772).

Exports of Canadian products to all foreign countries for the fiscal year ended Mar. 31, 1932, were valued at $357,524,000 as compared with $506,878,271 for the year ended Mar. 31, 1931; those to the United States (Canada's largest customer) had a value of $235,322,799 as compared with $349,660,563 in the previous year. Other important foreign purchasers of Canadian commodities were: France, $17,954,321; Japan, $16,555,690; Belgium, $14,036,437; Netherlands, $13,502,157; and Germany, $10,405,256. Canada's imports from all foreign countries in the fiscal year ended Mar. 31, 1932, amounted to a total value of $430,691,911 as compared with $701,714,269 for the previous year; from the United States, $351,686,775 (against $584,407,018 in the previous year); from France, $13,570,141; and from Germany, $11,657,869. (*The Canadian Annual Review, 1930-31,* omitted, on page 512, to give detailed figures of Canadian produce; those for foreign produce only were given).

Canada's unfavourable balance of trade with the United States, for the fiscal year ended Mar. 31, 1932, was $107,335,911 as compared with $220,483,994 for the fiscal year 1930-31 and $310,753,856 for the fiscal year 1929-30.

Imports from the Empire into Canada for the year ended Mar. 31, 1932, were valued at $147,812,000 and domestic exports from Canada to the Empire, $218,820,000. The following table shows a summary of Canada's main trade with the leading countries of the Empire; the figures are taken from the

Statistical Abstract of Trade of British Empire Countries issued by the Dominion Bureau of Statistics for use at the Imperial Economic Conference, 1932:

From	Imports	To	Exports
United Kingdom	$106,372,000	United Kingdom	$173,908,000
Australia	5,697,000	Australia	5,388,000
British South Africa	4,323,000	British South Africa	8,401,000
British India	5,100,000	British India	3,042,000
Jamaica	4,421,000	Jamaica	2,635,000
Newfoundland	1,484,000	Newfoundland	6,602,000
British Guiana	4,452,000	British Guiana	778,000
Barbados	2,673,000	Barbados	1,092,000
New Zealand	1,080,000	New Zealand	2,724,000
Irish Free State	46,000	Irish Free State	2,661,000

The following table gives a summary of Canada's trade with the United Kingdom for the fiscal year ended Mar. 31, 1930, 1931 and 1932:

	Years ended March 31,			Increase (+) Decrease (—) 1932 compared with—	
	1930 $	1931 $	1932 $	1930 $	1931 $
Imports—					
Dutiable	148,643,048	108,570,362	79,693,730	— 68,949,318	— 28,876,632
Free	40,536,690	40,927,030	26,678,049	— 13,858,641	— 14,248,981
Total Imports	189,179,738	149,497,392	106,371,779	— 82,807,959	— 43,125,613
Exports—					
Canadian	281,745,965	219,246,449	174,043,725	—107,702,240	— 45,202,774
Foreign	1,352,359	1,440,805	919,099	— 433,260	— 521,706
Total Exports	283,098,324	220,687,304	174,962,824	—108,135,500	— 45,724,480
Total Trade	472,278,062	370,184,696	281,334,603	—190,943,459	— 88,850,093
Balance of Trade:— Favourable (+), Unfavourable (—)	+ 93,918,586	+ 71,189,912	+ 68,591,045	— 25,327,541	— 2,598,867
Six months ended:—					
September 30	+ 41,690,829	+ 42,403,175	+ 29,491,306	— 12,199,523	— 12,911,869
March 31	+ 52,227,757	+ 28,786,737	+ 39,099,739	— 13,128,018	— 10,313,002

The decrease, 1932 compared with 1931, in the imports from the United Kingdom to Canada and the total value of each of the nine main groups, arranged in order of importance, was as follows: (1) fibres, textiles and textile products, $30,549,937, decrease $18,657,183; (2) agricultural and vegetable products, $30,220,997, decrease $11,541,790; (3) iron and its products, $13,383,622, decrease $4,685,883; (4) non-metallic mineral products, $10,286,241, decrease $2,616,231; (5) miscellaneous commodities, $7,107,975, decrease $1,201,720; (6) non-ferrous metal products, $4,284,756, decrease $2,035,365; (7) chemicals and allied products, $4,096,696, decrease $504,970; (8) wood, wood products and paper, $3,827,024, decrease $713,780; and (9) animals and animal products, $2,614,531, decrease $1,168,691.

The total value of each of the nine main groups of Canadian exports, arranged in order of importance, with increase or decrease, 1932 compared with 1931, was: (1) agricultural and vegetable products, $98,725,113, decrease $42,382,940 (for wheat and wheat flour exports to the United Kingdom see table in preceding sub-section on Agriculture and Wheat); (2) animals and animal products, $32,028,165, increase $854,550; (3) non-ferrous metal products, $17,266,439, increase $112,869; (4) wood, wood products and paper, $13,734,973, decrease $3,615,451; (5) iron and its products, $3,798,363, decrease $274,870; (6) chemicals and allied products, $3,130,795, increase $416,409; (7) miscellaneous commodities, $3,079,234, increase $1,760; (8) fibres, textiles and textile products, $1,386,235, increase $337,310; and (9) non-metallic mineral products, $894,408, decrease $652,411.

The Department of Trade and Commerce. This Department and its Minister, Hon. H. H. Stevens, LL.D., played an important part in the economic history of Canada during the twelve months ended June 30, 1932. Two trade Treaties, successfully negotiated by Mr. Stevens, were proclaimed during this period: the first, with Australia (see *The Canadian Annual Review, 1930-31*, pages 516-17) which had been completed and signed in the respective countries in June, 1931, went into effect by proclamation on Aug. 3, 1931; the second Treaty, with New Zealand, resulted after conferences between the Minister of Trade and Commerce and representatives of the Government of that country, being brought into force on May 24, 1932. In addition to these two trade Agreements a special trade arrangement was made with Brazil in December, 1932, and with a view to a trade pact with South Africa the Minister of Trade and Commerce entered into active negotiations with representatives of that country during their attendance at the Imperial Economic Conference at Ottawa in July, 1932. Mr. Stevens, as Minister of the Department, was appointed one of the five official Canadian delegates to the Conference and was also Chairman of the Committee dealing with the problems of currency exchange and general monetary adjustments. In addition, the Department, under his direction, performed a valuable service in the supplying of statistical information and personnel for a number of Sub-Committees appointed to deal with matters relating to the negotiation of trade agreements at the Conference.

Many notable addresses were delivered throughout Canada by the Minister of Trade and Commerce during the period under review. Speaking before a combined meeting of the Montreal Board of Trade, the Canadian Chamber of Commerce and the Montreal Chambre du Commerce (Aug. 4, 1931) Mr. Stevens declared his belief that Canadian manufacturers could profitably compete with like commodities supplied to China and Japan by other countries; he pointed out, however, that if increased trade were to be won from these countries proffered supplies would have to be adapted to the prospective purchasers' needs. Advocating the use of silver as a companion with gold as the basis for domestic currency and international exchange settlements Mr. Stevens claimed, in an address before the Empire Club in Toronto on Oct. 8, that such action would restore and stabilize the economic life of two-thirds of the human race and open up to the Western nations the vast Oriental markets which had been gradually closing since 1873. Speaking in the same city on Oct. 28 before a group of advertising men, the Minister condemned improvident capitalization in industry, speculation in stocks on margin, excessive overhead in business and "impossible" interest on farm loans; and he stressed the problem of Canada's huge obligations abroad growing out of Federal, provincial, municipal and corporate borrowings. Canada's borrowings abroad, he stated, had accumulated into a staggering total of $6,000,000,000 in stocks, bonds, debentures and mortgage obligations and the interest annually of these obligations amounted to nearly $300,000,000. This meant, he pointed out, that Canada had to export $300,000,000 abroad before she even began to maintain her equilibrium in trade or in the international exchange. (*The Mail and Empire*, Toronto). At Brantford, on Nov. 8, before a group of business men, Mr. Stevens submitted that the transfer of Canadian financial operations from New York to London would result in a tremendous stimulus to business in the Dominion. He stated that Canada had too long depended upon New York when seeking loans and in transactions of foreign dealings. That the Department of Trade and Commerce advocated the handling of Dominion exports through the Maritime ports, was stated by the Minister during an address at Halifax, Dec. 12, while on a visit to the Eastern Provinces. Before the Canadian Club in Montreal on Apr. 4, 1932, he discussed the efforts being made in preparation for the Imperial Economic Conference to be held at Ottawa in July and stated that a wide circle of Canadian business men were studying the problems which would enter into the *Agenda*. Speaking in Winnipeg on May 11, on his way home from the Western coast, Mr. Stevens advocated the purchasing by Canada of raw materials in the markets of the

countries of their origin. He stated that it might be necessary for Canada to enlarge her steamship subventions as it was found that the United States was able to out-do her in view of this. Such an element in foreign trade, he claimed, was becoming more and more necessary. He pointed out that Canada bought annually about $5,000,000 worth of raw silk from Japan which the Dominion importers got through New York and he stated that the Japanese authorities were working with him in an endeavour to arrange that such shipments should be sent direct to Canada. At the Annual Meeting of the Canadian Manufacturers' Association on June 7, the Minister of Trade and Commerce declared that manufacturers as a class might do more for themselves in seeking out new markets; that while the efforts made by the Canadian Government during past years in this respect had been successful, yet more benefits might have accrued if the industries themselves, particularly the primary ones, had been left to develop their own trade.

Speaking of the contention that Canada's trade with Great Britain was altogether too favourable to Canada, Mr. Stevens, before the Canadian Club in Toronto on June 18, pointed out that a large proportion of Canada's exports to Great Britain, particularly wheat, and listed as such in trade statistics, were in reality bought by English dealers or brokers for delivery to other European countries and when the heavy use by Canada of British shipping and the interest paid by public and private borrowers on loans from English sources were taken into consideration, Canada actually bought more goods, services and financial facilities from Great Britain than she sold to the Mother country. He also stressed the point that a great deal of Canadian grain shipped to Great Britain went to United States ports and was listed as United States grain in England and *vice versa*. Canada, in addition, each year imported millions of dollars worth of products through United States ports and dealers, a great proportion of which were products of Empire countries but which were shown in statistics as imports from the United States. (*The Mail and Empire,* Toronto).

The Commercial Intelligence Service of the Department of Trade and Commerce, under the direction of L. D. Wilgress, maintained Trade Commissioners in all the important trade centres of the world for the purpose of extending Canada's foreign trade. Another important branch of the Department was the Dominion Bureau of Statistics, under the direction of R. H. Coats, F.S.S. (Hon.), F.R.S.C., which collected, tabulated, analyzed and made available to the public, statistics on practically every phase of Canada's industrial and economic life. Other important branches were the Exhibition Commission with headquarters in London, England; the Motion Picture Bureau; the Board of Grain Commissioners for Canada; the Weights and Measures Inspection Service; and the Electricity and Gas Inspection Branch. The Department had charge of mail subsidies and steamship subventions, the administration of the Gold and Silver Marking Act, and the distribution of bounties on specified Canadian products.

James G. Parmelee, O.B.E., who had been Assistant Deputy Minister since 1922, was appointed Deputy Minister of the Department in November, 1931, in succession to F. C. T. O'Hara, who had been previously superannuated; and K. G. Chamberlain was appointed Assistant Deputy Minister.

Trade Conventions. Between 1925 and 1930 the provisions of the trade Agreement between Canada and Australia applied to New Zealand, but in 1930 the Canadian Government (during the Mackenzie King *régime*) notified the New Zealand Government that it would cancel the Order-in-Council under which New Zealand enjoyed the benefit of this Agreement. After the cancellation came into effect New Zealand withdrew from Canada the benefits of her British preference on motor cars, engines and tires and subsequently, on June 2, 1931, withdrew the preference from all other items. Trade between the two countries suffered. In the Winter of 1931-32, Hon. H. H. Stevens, Minister of Trade and Commerce, and officers of his Department went to Honolulu where they met Hon. W. Downie Stewart, New Zealand

Minister of Customs, and certain of his officers, for the purpose of negotiating a new trade agreement. These negotiations were continued later by correspondence and, on Apr. 27, Mr. Stevens presented to the House of Commons the Agreement which had been signed on Apr. 23. As explained to the House by Mr. Stevens, it followed the lines of the new Treaty with Australia (see *The Canadian Annual Review, 1930-31*) which had been approved by Parliament during the 1931 Session and under it each country would extend to the other its British Preference tariff rates, with certain specified exceptions. Each country would suspend its anti-dumping laws in respect of the other, with the *proviso* that these laws might be put into effect in the event of imports from one country prejudicially affecting the producers in the other country and this prejudicial effect not being remedied by the exporting country. The Agreement was rendered more flexible than former trade conventions by the provision that duties might be raised by either country on three months' notice. Under the schedules of the Agreement which covered the exceptions from the British preferential tariff rates of each country Canada would grant special concessions on meats, eggs, dairy products, hops, fruits, canned seafoods, building stone, hemp and twine, wool, hides and other commodities of New Zealand production, and would receive concessions on a considerable line of manufactured goods, including paper and paper pulp, agricultural implements, electric appliances, motor vehicles, lumber and other wood products, hosiery, boots and shoes, furs, fruits and vegetables, and other commodities. To implement the Agreement, changes were made in the Canadian tariff schedules placing a duty on wool of 10 cents a pound under the intermediate tariff and 15 cents a pound under the general tariff and a duty on hides of 10 per cent. under the intermediate tariff and 15 per cent. under the general tariff, both items being left free under the British preferential tariff. Considerable discussion took place on the Agreement, and some opposition developed to the duty on hides. Certain Members maintained that this duty would seriously prejudice Canadian tanners and manufacturers of leather goods for the reason that New Zealand hides were unsuitable for the manufacture of sole and other leathers. It was contended that the Agreement in this respect was injudicious. The Bill ratifying the Treaty was passed.

On Dec. 10, 1931, a trade arrangement was made between Canada and Brazil whereby Canada extended to the latter country the benefit of the intermediate tariff on products originating in and coming from the Republic, provided that such products were imported direct. Canada in turn was to receive the minimum tariff on all goods exported to Brazil and, in addition, was to be given most favoured nation treatment by the Republic which entitled the free entry of Canadian fresh fruit, Canadian apples which previously had a tariff against them of 1¾ cents per pound being particularly affected under the new arrangement.

On Dec. 16, 1931, the Canadian Government gave notice to the Government of France that the Trade Convention between the two countries which had been made effective in 1923 would be terminated at the end of six months. When, under the notice, the Convention lapsed on June 16, 1932, the Prime Minister issued a statement explanatory of the course of the Government. In this statement it was pointed out that under the Convention, while Canada granted to France at least the lowest tariff rates accorded any other foreign country, Canada did not secure the benefit of the French minimum rates except on a limited list of products; also that while Canada granted fixed rates on an important list of French commodities, France did not grant Canada any fixed rates but remained free to raise tariffs as her interests might require, which freedom she repeatedly exercised. Another unfavourable aspect of the situation was that the benefits accorded to France were extended to a great many other countries enjoying most-favoured nation agreements with Canada. In 1930, and again in 1931, the Canadian Government made proposals to France looking to revision of the Convention but the French Government were not disposed to accede to these proposals, and accordingly notice had been given of the termination of the Treaty.

Before the notice became effective efforts had been made, the Prime Minister stated, to establish a *modus vivendi* for carrying on with the understanding that negotiations for a new treaty would be undertaken during the year (1932) but these efforts had not been successful. Nevertheless, the Canadian Government had indicated their willingness to pursue further negotiations looking to a new convention.

The Trend of Prices in 1931. The Dominion Bureau of Statistics annual index number of wholesale price movements for 1931 (subject to revision) was 72.6 compared with 86.6 for 1930. This comparison, however, gave an exaggerated idea of the decline that occurred during the year 1931, for the monthly index series in 1931 fell only from 76.7 in January to 70.4 in December, while in 1930 it dropped from 95.3 to 77.7 between January and December. A feature considered worthy of note also was that the general index of wholesale prices advanced by small amounts in October and November, due chiefly to strength received from Canadian farm product prices, marking the first break in the recession since December, 1929.

Wholesale price levels measured by commodity group indexes declined generally during 1931, the animals and their products index recording the most outstanding drop from 88.2 in January to 66.5 in December. Vegetable products fell from 58.0 to 55.6; fibres, textiles and textile products from 75.5 to 71.8; wood, wood products and paper from 85.1 to 77.4; iron and its products from 88.7 to 87.3; non-ferrous metals and their products from 69.1 to 66.3; non-metallic minerals and their products from 89.3 to 88.3, and chemicals and allied products from 88.4 to 85.3.

The index number of raw and partly manufactured goods prices dropped from 66.6 in January to 59.5 in December, while fully or chiefly manufactured goods fell from 79.9 to 72.9. In 1930, the former fell 30 points and the latter, 11 points.

Canadian farm product wholesale price index as a group fell from 61.1 to 53.0 during 1931, which compared with a drop from 102.7 to 61.8 in 1930.

The Bureau's index number of living costs recorded an appreciable drop from 95.1 in January to 86.5 in December, compared with a decline in 1930 from 102.1 to 95.9. An index of retail prices, excluding items of shelter and service costs dropped from 90.4 to 78.9 during 1931, which indicated that the reduction in living expenses had been retarded by the slow movement of prices and rates of this description. Price changes affected budgetary group indexes during 1931, as follows: foods fell from 89.1 in January to 71.2 for December; the fuel index changed from 95.7 to 94.2; rentals declined from 105.5 to 99.3; clothing dropped from 88.3 to 78.6; and sundries moved from 98.8 to 98.0.

The Tourist Trade in 1931. According to a Report compiled by the Dominion Bureau of Statistics the tourist trade during 1931 continued as one of Canada's three major industries. Although down considerably from the high level of 1929, it was relatively less affected than most industries by the prevailing economic conditions. The total expenditures of tourists from other countries in Canada in 1931 was approximately $250,776,000 as compared with $279,238,000 in 1930. The foreign tourist trade was divided into three classes: (a) tourists entering Canada *via* ocean ports, whose expenditures were estimated at $12,018,000; (b) tourists entering Canada from the United States by automobile, $188,129,000; (c) tourists entering Canada from the United States by rail and steamer, $50,629,000. The overwhelming majority of tourists to Canada came from the United States and of these, motorists formed the largest number. In 1931, 3,439,492 cars were admitted for a period not exceeding 24 hours (1930, 4,110,100); 1,469,753 cars for a period not exceeding 60 days (1930, 1,297,030); and 744 cars for a period exceeding 60 days and not more than six months (1930: 2,328). The number of tourists from the United States entering by rail and steamer was 1,177,429 in 1931 as compared with 1,419,428 in 1930.

Expenditures of Canadian tourists in other countries in 1931 were estimated as follows: (a) *via* ocean ports, $19,550,000; (b) to the United States by automobile, $40,264,000; and (c) to the United States by rail and steamer, $16,638,000. The total amount expended was $76,452,000 as compared with $100,389,000 in 1930. During the year under review 536,855 Canadian automobiles entered the United States for touring purposes as against 595,124 in 1930.

Trade Incidents. The *Canadian Constructor*, the Canadian-Australia goodwill ship, sailed from Brisbane for Montreal on Sept. 10, 1931, for the purpose of furthering inter-Empire trade and also as a tangible expression of the passage of the Trade Treaty made between Canada and Australia in August, 1931. The ship carried a full cargo consisting chiefly of raisins, currants, wines, raw sugar, canned pineapples, oranges, special hardwood and similar commodities for which Canada affords a ready market and which the Australian producer was able, under the new Treaty, to export to the Dominion under preferential terms. It was a disappointment that the return cargo was not as large as the Northward one had been, but it was stated that the size of the latter was due to the fact that the fruit season had been in full swing when the ship left Australia and that future cargoes from that country would in all probability be much smaller. It was hoped that the foundations laid by the Treaty for the extensive development of trade between the two countries had been cemented by the visit and that future shipments would show beneficial results.

Under regulations made public by the Department of National Revenue on Sept. 19, 1931, registered wine manufacturers were permitted to fortify native wine with fruit spirit, the maximum content of which was not to exceed 31.4 per cent. No wine in which fermentation was not complete might be fortified. The regulations also provided that on and after Oct. 12, 1931, native wine, the product of wine obtained from fresh native grapes exclusively, and containing not more than 14.2 per cent. of proof spirits might be received at a distillery. Wine of greater strength than 14.2 per cent. was to be held and the facts reported to the Department. After distillation the quantity of spirits produced from the wine was to be warehoused in accordance with Departmental regulations.

Owing to the invasion of foot and mouth disease in the State of California, an embargo was placed by Canada on Apr. 29, 1932, on certain importations from that State, which was later modified owing to an improvement in the situation.

S.S. *New Northland* sailed from Halifax on Jan. 8, 1932, on a two-months Canadian Trades Exhibition to Bermuda, the British Indies, British Guiana, Cuba and the Bahamas. Loaded with Canadian produce and with passengers representative of important financial, industrial and commercial interests of the Dominion, the Exhibition ship met everywhere with evidences of friendship and the desire to extend trade.

At the Annual Meeting of the Maritime Provinces Trade Commission held in Toronto on Feb. 4, 1932, the advisability of establishing an office in other large commercial centres, similar in organization and politics to the Toronto office, to further the interests of the Maritime Provinces in the areas dominated by these cities, was discussed at length. The development of the British market for Maritime hardwoods and the negotiations pending in that connection, were also examined in detail by the Board. A resolution was passed to the effect that the Ministers of Agriculture in the three Maritime Provinces should be advised of the immediate desirability on their part of organizing the cranberry growers in such a manner that the methods of marketing cranberries would be improved and standardized, and the production of cranberries thereby profitably extended. The Annual Report stated that, apart from potato shipments, carload shipments of Maritime goods to Ontario had maintained a steady general increase during the previous three years. This was due to a very great extent to the activities of the Commission, which, through addresses, interviews and press articles, laid con-

tinual stress upon the necessity of Ontario using Maritime instead of imported goods, such as the following: canned lobster instead of imported crab meat, Maritime wood for boxes, barrels and cases in which Canadian-made products were sold, skis, salt, sardines, peat moss, potato flour, antimony, building stone, building blanket, coal, lumber, confectionery, etc. The following officers of the Executive Board were unanimously elected for the ensuing year: Chairman, E. M. Saunders; Vice-Chairman, Col. J. P. LeGallais; and Secretary and Commissioner, R. W. E. Burnaby.

An announcement of much interest to farmers throughout Canada was that of T. A. Russell, President of the Massey-Harris Company, Limited, farm implement manufacturers, on Apr. 13, 1932, that the Company would make a ten per cent. discount off debts, interest and sales prices, this reduction to be allowed on all payments made prior to Nov. 30, 1932. The discount applied to past due notes and interest and on current maturing notes and interest, and was said to involve a remission of roughly $1,000,000 in farmers' debts to the Company.

The Federation of British Industries Mission which came to Canada in April and May, 1932, visiting Quebec, Montreal, Toronto, Hamilton and Ottawa, made, in its Report, the following declarations among others: that the industrial position in Canada was largely dominated by that in the United States; that United States films, newspapers, periodicals, broadcasting, joint conventions, etc., were continuously affecting Canadian mentality, taste and demand; that the ever-increasing investment of United States capital in Canadian industries stimulated the flow of United States goods to Canada; that the exploitation of British goods in the Dominion had been left too often to non-technical agents; that trade beween Canada and Great Britain was hampered by the inelasticity of tariff and dumping regulations which on occasion whittled away the benefits intended under the preferences available to Great Britain; that the co-operation of home producers was essential to the building up a selling service force in Canada sufficient to meet foreign competition; that there was need for closer contact and better appreciation of local circumstances and requirements to remedy the complaints levied by Canadian purchasers against home suppliers of bad delivery and service; and that greater use should be made by industry of the services of His Majesty's Trade Commissioners.

An importers' organization, to be known as the Canadian Importers' Association, was formed in Toronto on June 21, 1932, with Alan C. Thompson of the Marshall Ventilated Mattress Company as Chairman. A statement issued at a meeting held two weeks previously declared that "something must be done to protect the interests of this important branch of industry in Canada."

A delegation representing cotton interests of Lancashire, England, arrived in Canada in June, 1932, to confer with Canadian representatives of the industry in an attempt to reach some kind of an agreement prior to the Imperial Economic Conference in July. No definite arrangement culminated, however, in spite of ten days' deliberations, chiefly due to the difference of opinion existing between the two groups as to the extent of Canada's market for cotton imports. The British delegation proposed a readjustment of Canadian cotton schedules to allow the free entry of certain imports and drastic reduction in the tariffs on all other cotton goods from the United Kingdom so as to remove foreign competition. The Canadian representatives on their side declared that such a step would result in the annihilation of the domestic cotton industry. In spite of the apparent failure to agree it was felt that the discussions had resulted in a clearer understanding, on each side, of the problems of the other, and, perhaps, had laid the foundation for an agreement in the future.

Tariff Notes. Regulations governing revised duties against foreign newspapers (see *The Canadian Annual Review*, 1930-31) entering Canada were issued on Aug. 19, 1931, by the Department of National Revenue, Ottawa.

They were to become effective Sept. 1 except for the 15 cent duty against week-end newspapers which was not to go into force until regularly proclaimed by the Government. It was set forth that the regulations for the higher duties would not become effective against Canadians who had subscribed before June 2, 1931 to foreign magazines or periodicals, until Apr. 1, 1932. Daily newspapers would continue to enter the country free of duty. Magazines with an advertising content ranging between 20 and 30 per cent. of the total space would pay a duty of 2 cents a copy, when the advertising content exceeded 30 per cent. the tariff would be five cents a copy. Magazines, in which the advertising content did not exceed 20 per cent. of the total space, or those in the interests of religious education, science, agriculture, labour or fraternal organizations, would bear no duty. The regulations clearly differentiated between magazines and periodicals, stipulating that periodicals consisting almost wholly of fiction would not be classified as magazines, but that those containing an amount of critical and descriptive articles and news items or articles relative thereto or current topics, equal to at least 25 per cent. of the whole, apart from the advertising matter, would face a tariff of 15 cents a pound or a minimum of 15 cents a copy. The Department of National Revenue later issued lists of publications upon which a Customs tariff was being imposed and, in addition, a bulletin was issued stating the requirements of the Canadian tariff with respect to the registration of advertising content of publications imported into Canada, the date of such registration being fixed as not later than Feb. 1, 1932. Results of the new duties were varied. The United States publishers of certain fiction magazines immediately made arrangements to have them printed in Canada for distribution to the Canadian public; other publishers added five cents to the regular United States selling price of the magazine when sold in Canada.

Under authority provided by Section 37 of the Customs Act, provision was made by Order-in-Council, dated Sept. 1, 1931, for a discount of 30 per cent. on importations of radio receiving sets into Canada under the general tariff to dealers in these articles as from Sept. 10, the discount to apply to the factory list price. It was later announced, on Oct. 29, that duties paid in excess of the duties, which would have been paid had the Order not been passed on purchases made before Sept. 10 and shipped before Oct. 15, would be refunded as it was understood that the Order was working a hardship on importers who had sold radio receiving sets in Canada prior to Sept. 10 for future delivery.

Canada extended, by Order-in-Council, dated Sept. 24, 1931, the British Preferential tariff to The Channel Islands, Isle of Man, Kenya Colony and Protectorate, Colony and Protectorate of Nigeria, British Sphere of the Cameroons and British Sphere of Togoland, New Guinea and Cyprus.

An Order-in-Council was passed on Oct. 10, 1931, providing for the application, under Section Six of the Customs Act, of a special or dumping duty on goods from foreign countries imported into Canada at less than their fair market value for home consumption in the country of export, due to the depreciation of currency in terms of the Canadian dollar according to prevailing rates of exchange. Subsequently, on Oct. 28, Orders-in-Council, P.C. 8 238, dated Jan. 30, 1918, and 77 1426, dated June 30, 1922, were cancelled effective from Oct. 10, 1931, in view of the wide variations in currency values since their issuance. (See Federal Section for dumping duties imposed by Canada on goods from Great Britain in connection with the exchange on the pound sterling, and also for the prohibition of gold bullion, etc., in the Dominion of Canada except under licence from the Minister of Finance).

Until otherwise ordered the rate of the following foreign currencies, in computing the value of such for duty, were proclaimed in Canada on Nov. 7, 1931: Denmark (Krone), $.2680; Germany (Reichsmark), .2382; Japan (Yen), .4985; Netherlands (Guilder), .4020; Norway (Krone), .2680; Sweden (Krone), .2680; Switzerland (Franc), .1930. (Orders-in-Council were also passed at different dates to meet the disturbed condition of the rates of exchange

between Great Britain and Canada; these will be found covered in the Section "Federal Administration and Politics").

The Department of National Revenue issued on June 30, 1932, regulations governing the determination of the 50 per cent. Canadian content of automobiles turned out by Canadian factories with a view to establishing conditions under which draw-backs might be applied for.

The following goods were exempt from the depreciated currency surtax of 11 per cent. on Canadian goods imported into France imposed in December, 1931: wheat, spelt and meslin in grains, oleaginous fruits and seeds, roe of cod and mackeral, tea, and goods which enter free of duty. The surtax was levied on the c.i.f. price (exclusive of duty), and was leviable in addition to import duty. A French decree of Dec. 30, 1931, limited the importation into France of Canadian raw lumber to 400 metric tons and Canadian dressed lumber to 338 metric tons until Mar. 31, 1932. (The metric ton: 2,204 pounds).

Canada was affected by the increase in Japan's Customs duty on wheat, flour, butter and condensed and powdered milk, as announced on June 14, 1932. The increase was from 25 to 42 cents per bushel on wheat and on flour from $1.04 to $1.60 per 132 pounds. The duty on Douglas fir was also considerably increased.

SCIENTIFIC AND INDUSTRIAL RESEARCH

The National Research Council; Other Scientific Organizations

The National Research Council of Canada, established in December, 1916, by the Dominion Government, reported for the fiscal year 1930-31 with H. M. Tory, M.A., D.SC., LL.D., F.R.S.C., F.R.H.S., as President and S. P. Eagleson as Secretary-Treasurer. During the year the demand for scientific assistance from industrial groups greatly increased. A number of new research committees were organized and set to work, bringing the total number working under the Council to 29; 46 Conferences were held for the purpose of discussing the scientific and technical problems associated with the Council's activities; 80 scientific papers were published by members of the technical staff of the Council and workers assisted by research grants, bringing the total number of publications to date, on work for the support of which the Research Council had been responsible, up to 582.

The Research Conference held in association with the Imperial Conference of 1930 was later constituted a Committee of the Imperial Conference. 13 resolutions were drawn up and unanimously approved by the Research Committee and, later, by the Conference. Arrangements were made during the year for exchange of research programmes between the National Research Council of Great Britain and the Dominions; this was in order to reduce overlapping to a minimum. The Conference on Standardization of the Imperial Conference of 1930 also made substantial plans for co-operation in developing and maintaining common fundamental standards and by exchange of information and consultation to secure, where the circumstances of the case permitted, common industrial standards as well. Steps were being taken to equip the Division of Physics in the new National Research Laboratories with fundamental standards checked against those in the National Physical Laboratories in London.

At the end of the fiscal year four members of the Council retired under the three-year rule of service prescribed in the Research Council Act: Frank Dawson Adams, LL.D., D.SC., F.R.S.; Charles Camsell, LL.D., F.R.S.C.; Augustin Frigon, D.SC., A.M.A.I.E.E.; Arthur Lewis Clark, PH.D., F.R.S.C. J. M. McCarthy died during the year. The vacancies were filled by the re-appointments of Dr. Camsell, Dr. Clark and Dr. Frigon, and the appointment for the first time of Charles L. Burton of Toronto, and Julian C. Smith of Montreal.

Under the scheme drawn up by the Research Council and approved by Order-in-Council, and later approved by the Royal Commission on Technical and Professional Services under the chairmanship of E. W. Beatty, the following grades for the professional staff, with the necessary qualifications, were established: Director of the Division of Physics (or Chemistry or Biology, etc.), "D.Sc." or "Ph.D."—10 to 15 years; Assistant Director, "Ph.D."—10 years; Research Physicist (or Chemist or Biologist, etc.), "Ph.D."—8 years; Associate Research Physicist (or Chemist or Biologist, etc.), "M.Sc."—5 years; Assistant Research Physicist (or Chemist or Biologist, etc.), "M.Sc."—2 years; Junior Research Physicist (or Chemist or Biologist, etc.), "M.Sc."

During the year under review the work of fitting up the John Street Laboratories (Ottawa) was completed and a group of important researches in physics and chemistry was undertaken; the erection of the new National Research Laboratories was reported as going steadily forward.

During the fiscal year ended Mar. 31, 1931, the Council received, through Parliamentary appropriation, $500,000, and from other sources, $50,373. The largest item, other than the Parliamentary appropriation, was $20,972, granted to the Associate Committee on Grain Research from a trust fund estab-

lished in 1928 by the Federal Government, this fund being derived from the disposal of surplus grain at public terminal elevators. In addition, the sum of $5,000 was received from the Sun Life Assurance Company of Canada to assist in the work carried out under the auspices of the Associate Committee on Tuberculosis. In the previous four years the same Company had also contributed $40,000 for the above purpose. The Canadian Co-operative Wheat Producers, Limited, contributed during 1930-31 the sum of $3,600 for three fellowships with an annual value of $1,200, one to be tenable in each of the Universities of Alberta, Manitoba and Saskatchewan; these fellowships to be open to qualified graduates of any Canadian University who desired to pursue advanced studies and research in problems connected with the grain growing industry of the Prairie Provinces. The Scottish Canadian Magnesite Company contributed a substantial sum to the Council; and the Canadian Engineering Standards Association the sum of $11,305.

During the year the Associate Committee on Cereal Rust was reorganized, becoming a sub-committee of the Associate Committee on Field Crop Diseases. The Associate Committee on Radio, which had previously functioned as a sub-committee of the Associate Committee on Physics, was made an independent Committee and a programme of work to be carried out was prepared. The Associate Committee on Asbestos and the Associate Committee on Laundry Research were both organized during the year at the request of the industries concerned, and were in 1931 actively at work. Preparation was being made in the new laboratories for undertaking a substantial programme of research.

Besides the numerous assisted continuous researches in progress, either under Committees or individuals, new projects were as follows: Investigations on gas and water content of trees; microbiology of soil conditions in eastern Canada; mineral constituents of the floral parts and young fruits of the apple; indirect ultra-violet solar radiation and its distribution; parasites of the snowshoe rabbit; pathological plant problems in Nova Scotia; status of slough itch in Saskatchewan; problems of the asbestos industry; problems of the laundry industry; range or fowl paralysis; breeding cereal crop plants for resistance to foot- and root-rots and smuts; foot- and root-rot diseases of crop plants; investigations with couch grass and perennial sow thistle.

During the year 1931, 5 fellowships, 22 studentships and 35 bursaries were awarded by the Council to graduates of 17 Universities. In addition, one Ramsay Memorial fellowship and one foreign travelling fellowship were awarded and held in England and Germany respectively. The 3 fellowships offered by the Canadian Wheat Pool were also awarded and held. The Council took out sustaining memberships in several British research organizations; the Wool Industries Research Association, the British Leather Manufacturers' Research Association and the Linen Industry Research Association. In addition, the Council was supporting the International Mathematical Union, the International Chemical Union, the International Union of Pure and Applied Physics, the International Committee on the Annual Table of Constants and the Association of Special Libraries and Information Bureaux.

Of the international conferences and scientific gatherings held during the year 1930-31, and at which the Council was represented, the most important was the Imperial Conference, attended by the President of the Council, by direction of the Government. J. H. Parkin, Assistant Director of the Division of Physics, represented the Council at three important European conferences, the Third International Congress for Applied Mechanics, held at Stockholm, the Fifth International Air Congress, at The Hague, and the International Congress of General Mechanics, at Liège. At the same time, Mr. Parkin improved the opportunity to visit several aeronautical laboratories in Europe and secure information regarding the latest European methods of aeronautical research.

Among the important pamphlets issued during 1932 were: No. 25, The Drying of Wheat (second report); No. 26, Weed Survey of the Prairie Provinces; and No. 27, Weeds and Their Control.

The Department of Mines. While the Department, as such, came into existence in 1907, a portion of its activities as at the end of the year 1931 were actually initiated in 1842, when the Geological Survey, its oldest branch, was created. Research pertaining to geology, mineral technology and natural history continued to constitute an important part of its programme. This phase of the Department's work is covered in the articles below relating to the Geological Survey of Canada, the National Museum of Canada and the Mines Branch.

The Geological Survey. Having for its principal occupation the geological exploration and mapping and investigation of the mineral resources of Canada, which involves a wide range of subjects, the Geological Survey of Canada, created in 1842, and the oldest research organization in Dominion Government Service, continued, during the year ended June 30, 1932, under the direction of W. H. Collins. The Director had under his care all the divisions of the Survey: geology, palæontology, mineralogy, water supply and borings, topographical surveying and map-drafting and reproduction, with auxiliary services for photography, library, distribution of information, etc. To carry on the work during the year a permanent staff of about 110 individuals was maintained; and from May until October (1931), about 200 were employed, including 100 university students in geology and engineering. During the field season of 1931, 45 parties were sent to various parts of Canada, ranging from the Yukon to Cape Breton Island; 33 of these were engaged in geological and allied work; 10 in topographical mapping; 1 in the investigation of geo-physical methods of prospecting; and 1 in collecting material for the National Museum, with which the Survey was closely associated and in which it maintained sections for geology, geography, mineralogy and palæontology.

The National Museum of Canada. An outgrowth of the Geological Survey, and comprising the Divisions of Biology and Anthropology, the National Museum had, as Acting Director, Dr. W. H. Collins, Director of the Geological Survey. The limited scale on which field work was prosecuted during 1931 afforded an opportunity for close and extended application to the study and assembling of accumulated office records into manuscript form for publication. Equipment of the Exhibition halls was increased by the addition in the Museum workshop of mahogany cases, and progress was made in exhibition work. Educational activities were expanded; photographic prints, lantern slides, motion picture films and collections of minerals, rocks and fossils were supplied to schools and various educational institutions; and, in addition, two series of popular lectures were given during the year.

The Mines Branch. Coming into existence in 1907 when the Department of Mines was established under the Geology and Mines Act, the function of this Branch, as defined by Statute, was to collect information and conduct investigations designed to promote, in the national interest, the efficient development and utilization of mineral resources. As constituted, the Branch, in 1931, comprised an Administrative Division which included the library, draughting office, the Dominion of Canada Assay Office (at Vancouver, B.C.) for the purchase of gold, and five main investigatory divisions as follows: Mineral Resources, Ore Dressing and Metallurgy, Fuels and Fuel Testing, Ceramics and Road Materials, and Chemistry.

The Division of Mineral Resources carried on, during 1931, among others, investigations pertaining to rare element and radioactive minerals, especially the pitchblende deposits at Great Bear Lake, N.W.T.; the cutting and other qualities of certain Canadian sands when used for sand-blasting; tests on anhydrite for building purposes; the economic possibilities of Canadian limestones; and sands for moulding. The Division of Ore Dressing and Metallurgy, staffed and excellently equipped for experimental test and research in ore treatment and in ferrous and non-ferrous metallurgy, reported, among its more important investigations during 1931, on those pertaining to the recovery of gold from the ores of a large number of Canadian mines; the recovery of radium, uranium and other by-products from the pitchblende and silver

ores of Great Bear Lake; the devising of a method for the semi-direct production of nickel steel from Sudbury copper-nickel ores; and a study of the mechanical properties and metallographic characteristics of certain aeroplane propeller blades of aluminium alloy. The Division of Fuel and Fuel Testing was active in chemical and physical surveys of coal seams *in situ*; in investigations of problems concerning preparation of coals for markets; in testings of coals on both small and large scales with a view to improving the efficiency with which they could be utilized for various purposes; and in the examination of different processes for the distilling of oil shale and the refining of oil. Such investigations included: a large scale of coal storage tests; 23 pulverized fuel fired boiler tests on Alberta and British Columbia coals and Ontario lignite; 28 twelve-hour runs in a 2-ton by-product coke oven plant on Alberta, British Columbia and Nova Scotia coals, with 13 domestic boiler tests on the coke produced; the heat treatment and laboratory assays of oil shales and bituminous sands; and a study of "weathering" losses incident to the stabilizing for shipment of the naphtha produced in Turner Valley, Alberta. Special research was carried out on hydrogenation, the nature of the constituents causing clinkerings of Maritime Province coals; and studies of the alteration of Ontario lignite and peat in relation to their constitution. The Ceramics and Road Materials Division, which conducted investigations on the raw materials utilized in the clay-working and other ceramic industries, combined with the technical problems of these industries; and detailed studies of road materials in relation to the particular road-building problems of the locality where work was being carried on, reported for the Ceramics section about 400 samples of clays as having been tested to determine their suitability for industrial purposes; a study of the clays of Canada suitable for the manufacture of fire brick as being under way; an investigation of the physical properties of Canadian bricks as having been commenced; and an examination into the development and control of colour in the manufacture of brick as having been completed. In the Road Materials section a systematic study of the gravels of Quebec was completed.

Biological Board of Canada. This Board, serving as the scientific division of the Department of Fisheries and under the control of the Minister of that Department, was established by Act of Parliament in 1912. As constituted in 1931 it consisted of two representatives of the Department, two representatives of the fishing industry, and fourteen scientists selected from the staffs of various Canadian universities. Prof. J. P. McMurrich, Toronto, was Chairman, and J. J. Cowie, Ottawa, Secretary-Treasurer. In the interval between the Annual Meetings of the Board its business was carried on by a Central Executive Committee consisting, in 1931, of the Chairman and Secretary-Treasurer of the Board *ex officio*, Professors A. T. Cameron, W. T. MacClement, Marie-Victorin, and Mr. A. H. Whitman; two Sub-Executive Committees, one for the Atlantic coast and one for the Pacific, assisted. The Annual Report for the year 1931 covered the activities of the four Stations under control of the Board—two, at St. Andrews, N.B., and Nanaimo, B.C., for the investigation of problems connected with the culture, conservation, and capture of fish; and two, at Halifax, N.S., and Prince Rupert, B.C., for the investigation of problems in connection with the handling, preservation and marketing of fish. With the extension of the work of the Board to special lines of investigation, two sub-stations were found necessary—one at Cultus Lake, B.C., in connection with extensive and intensive studies on the life history of the Sockeye salmon, and another at Ellerslie, P.E.I., for the study of the oysters at Richmond Bay. Further, a biological laboratory situated on the Eastern passage into Halifax Harbour and intended to supply opportunities for the training of men for the fisheries service was placed under the control of the Board.

A noteworthy accomplishment of the year was the completion of a survey of the fisheries of the Bay of Fundy, from which much important information was obtained, and it was expected to be made the basis for future observations. The variation in the periodicity of the salmon in different areas might be mentioned as of special interest, introducing as it did fresh complexities

into the already complex life-history of the Atlantic salmon. On the West coast important experiments were begun with both Sockeye and Pink salmon, looking to a testing of the parent stream theory and the possibility of materially improving the runs of poor years. In co-operation with the Provincial Government an intensive study of the pilchard fishery was begun.

Oceanographic studies were continued on both coasts to ascertain the source and distribution of the silica and phosphate contents of the waters as influencing the growth and distribution of the plankton. On the West coast work was begun on the oceanography of the *fiords* with a promise of important results, and on the East coast the study of the physical conditions in Malpeque bay revealed the air temperature as a most important factor influencing the development of oyster spat.

The standardization of the lobster canneries was completed and, as a result of the experience gained, a new programme of standardization was drawn up and forms prepared. Explanation of the fatal effect of "drip" on lobsters was obtained and attention was given to their rate of growth and their migration. A successful spatting of oysters was obtained in Richmond Bay and the growth of the young oysters was being studied. On the West coast the rate of growth of plantings of Eastern and Japanese oysters was compared with that of the native form, the Japanese oyster seeming to show the greatest hardiness. An ecological study of the soft shelled clam was carried out with the view of determining the optimum conditions for its growth and reproduction and an investigation of the life-history of the commercial crab of the west coast was made. Much attention was given to the effects of refrigeration on fish muscle, and to improvements in the methods of smoking fish, and these improved methods were being tried out on a commercial scale in a plant installed at Lunenburg on plans worked out at the Halifax Station. Investigations of methods for improving the preparation of fish-meals and of the purification of fish-oils by hydrogenation was continued. A beginning of investigations to determine the nutritional value of fish as food was made and a bibliography of the subject was compiled.

Dominion Experimental Farms. The chief activities in the various divisions during the year 1931-32 were as follows: **Live Stock.**—Continued development of the advanced registry in live stock particularly in bacon hogs, extensive research in the study of nutritional values of Canadian grown roughages, grains, and grain by-products, continued development of herds and flocks as a basis of seed stock for Canadian farms. **Forestry.**—On the Prairie Provinces, harvesting and distribution of large quantities of Caragana seed as a basis for field and home shelter belt work, and continued distribution of young trees. **Horticulture.**—Establishment of control temperature cold storage units on Experimental Farms and research in storage losses, extensive nutritional studies in small fruits, vegetables, and tree fruits in relationship to quality yields and keeping character of fruit, continued production of superior and hardier varieties for Canadian conditions. **Plant Disease.**—Research extended in cereals for disease resistance, in fruits in the control of both pathological and physiological diseases, in intensive efforts to solve problems of drought spot in all fruit areas of Canada. Certified seed potato production was accompanied by more intensive research in Mosaic diseases in which marked progress was made. **Field Husbandry.**—Research extensively continued on problems of weed control, soil drifting and much enlarged and more wide spread study of pasture management and improved methods to increase producing power of Eastern pastures and Western ranges. **Tobacco.**—Investigations continued and somewhat enlarged in nutritional studies, classification of varieties, and curing methods. **Cereal.**—Investigations leading to proper classification of existing best varieties to suit different soil and climatic conditions; production of new varieties of disease resistant character of all major cereals. **Forage crop.**—Investigations enlarged; Western specialized substation established under Federal control at the University of Saskatchewan, increased activity in every field of study of forage crops suitable to pasture or harvest, inauguration of much enlarged

activities toward producing soya beans of desirable market type sufficiently early maturing for production under Prairie Provinces' conditions or elsewhere. **Poultry.**—Activities continued in nutritional studies, breeding methods, contests and registration. **Chemistry.**—Special work undertaken in the further study of the close grazing system of pasturage; the examination of cod-liver oils; the determination of the co-efficients of digestibility of Canadian feeding stuffs and of the influence of "association" upon the utilization of mixed rations; the study of the value in poultry nutrition of iodine in seaweed; collaborative work on the methods of analysis of maple products; and the analysis of orchard spray and dust materials. **Bacteriology.**—A continuation of research on the application of chemical sterilization to dairy sanitation led to the development of an effective chlorine sterilizing solution with non-corrosive action on metals. For the sterilization of milking machine parts, tests showed a weak lye solution as the most practically economical and effective yet devised. Further studies on honey fermentation led to additional knowledge of the yeasts responsible and the factors in honey affecting their growth, and to a method for prevention of spoilage. Soil microbiological research included studies affecting the efficiency of the legume bacteria under greenhouse and field conditions. **Bee Division.**—Tests made with regard to the value of package bees, the effects of temperature and humidity on the storage of bees, and of sunlight in the brood chamber; and the different sizes of hives. **Fibre Division.**—More attention was given to the spinning of flax fibre during the year in addition to the usual machinery tests carried on, and quantities of finished flax yarn at about cost price were distributed, mainly through the Province of Quebec, in order to stimulate the homespun industry. Seed for fibre purposes even more valuable than the J. W. S. variety was being developed in Ireland and tested in Canada. **Illustration Stations.**—Enlarged activities in existing stations, particularly in live stock, poultry and horticultural work, establishment and development of special illustration stations dealing with peat land reclamation and specialized crops. **Extension and Publicity.**—Activities greater than in previous years due to the demands of farmers for information through correspondence, printed publications, demonstrations, exhibits at large and small fairs and similar channels.

Dominion Rust Research Laboratory. The Laboratory, maintained by the Experimental Farms Branch, Department of Agriculture, and situated on the grounds of the Manitoba Agricultural College, Winnipeg, had, in 1931, Dr. J. H. Craigie as Officer-in-Charge, and a permanent staff consisting of ten plant pathologists and four plant breeders. Dr. Lillian Hollingshead, Cytologist, resigned in 1931, and Dr. W. F. Hanna was granted a nine-months' leave of absence for special research at Yale University. An intensive study of cereal diseases, rusts, smuts, and root-rots, and methods for their control, principally by plant breeding, constituted the major work of the Laboratory during the year 1931. Under the direction of Dr. C. H. Goulden, very satisfactory progress was made toward the production of desirable commercial strains of wheat and oats resistant to stem rust.

Dominion Entomological Branch. Work during 1931 was concerned with important investigations on various kinds of insects which attack agricultural crops and forests, and with the care of the Insects and Pests Section of the Destructive Insect and Pest Act. The Dominion Entomologist and Head of the Branch was Arthur Gibson, and there were four major divisions which controlled researches as follows: (1) Field Crop and Garden Insects (H. G. Crawford in charge), with laboratories at Ottawa, Fredericton, N.B., Hemmingford, Que., Chatham and Strathroy, Ont., Treesbank, Man., Saskatoon, Sask., and Lethbridge, Alta. Insects under study were the pale western cutworm, grasshopper, wheat-stem sawfly, European corn borer, etc. (2) Forest Insects (J. M. Swaine in charge), with laboratories at Ottawa, Fredericton, N.B., Bertierville, Que., Indian Head, Sask., Vernon and Vancouver, B.C., in addition to temporary field stations for special investigations at certain points. Important progress was made in studies relating to the

white spruce sawfly, the balsam woolly aphis, the birch leaf skeletonizer, the pine bark-beetle, the larch sawfly, etc. (3) Foreign Pests Suppression (L. S. McLaine in charge), covered: (a) inspection of import and export shipments of plants and plant products, with inspection stations at Halifax, Saint John, Quebec, Montreal, Ottawa, Toronto, Niagara Falls, Windsor, Winnipeg, Estevan and Vancouver; and (b) prevention of spread and control of foreign pests introduced into Canada, such as the European corn borer, pine shoot moth, Mexican bean beetle, satin moth, etc. (4) Systematic Entomology (J. H. McDunnough in charge), carried on important surveys in 1931 in certain sections of Canada, resulting in a collection of a large number of specimens for addition to the National Collection of Insects and conducted texonomic studies on important insect groups.

Besides the 4 Divisions, important progress was reported in certain fruit insect investigations conducted at laboratories maintained at Annapolis Royal, N.S., Fredericton, N.B., Hemmingford, Que., Vineland Station, Ont., Vernon, Agassiz and Victoria, B.C. Insecticide investigations were developed particularly at Annapolis Royal, N.S. At Kamloops, B.C., special investigations were concerned with live stock pests, such as warble flies, ticks, etc. At Ottawa progress was made in studying household, greenhouse, stored product and other insect pests. The parasite laboratory at Belleville made important progress in the rearing of vast numbers of parasites which were liberated at strategic points in Ontario and other places.

The Canadian Hydrographic Service. The Service, under the Department of Marine, Ottawa, and directed by Captain F. Anderson, Hydrographer, reported the following operations during the year 1931: (1) Pacific Coast District—Hydrography on this Coast was carried out by the C.G.S. *Lillooet* and auxiliary houseboats, C.G.H. *Pender* and C.G.H. *Somass,* the major part of the season being occupied in charting the waters and inlets of the west coast of Vancouver Island, in the vicinity of Barkley Sound and the Broken Islands, Ucluelet and Pipestem Inlets. Operations were also conducted in Clayoquot Sound, and inside Vancouver Island; investigation and sweeping were activities in Seymour Narrows, Mayne Passage and Tofino Inlet. The construction of the new twin-screw hydrographic survey steamer for the Pacific Coast was proceeded with, to be completed in April, 1932. (2) Atlantic Coast and Great Lakes—The C.G.S. *Acadia* was detailed for service in Hudson Bay and Strait. The early part of the season was occupied in ice patrol in Belle Isle Straits, Quebec, being cleared for northern waters in the middle of July. The charting of the west coast of Hudson Bay was resumed and continued northward from Egg Island, about 75 miles north of Churchill. A shore party detailed from the ship meanwhile carried out charting operations on the south shore of Hudson Strait from a base at Wakeham Bay. The C.G.S. *Cartier* continued the charting of the north shore of the Gulf of St. Lawrence in the neighbourhood of Cape Whittle and Harrrington Harbour, in addition to sounding along the main transatlantic steamer route. On June 8, while proceeding by canoe up the Netagamu River for the purpose of making observations in connection with the survey, the Officer-in-Charge, Georges A. Bachand, and two sailors were drowned when their canoe capsized, this being the first tragedy suffered by the Service since its inception about 40 years before. The C.G.S. *Bayfield* continued the charting of the Magdalens, the earlier and latter parts of the season being occupied in completing the charting of the Harbours of Port Hood and Cheticamp, N.S., and Caraquet, Miscou and Shippegan, N.B. In addition, the Channel of Portage Gulley, Miramichi Bay, was sounded and aids to navigation located. The charting of the Saint John River, N.B., was completed from Saint John to Evandale, a distance of 26 miles. The re-charting of the Saint Lawrence River above Montreal was continued, using the Motor-Launch, *Boulton,* from Crossover light on the International boundary to the head of Galops Canal, including Brockville Narrows, the new Prescott terminals and the Ports of Prescott and Brockville, a distance of 25 miles; in addition the sounding, sweeping and testing of the Canadian section of the St. Lawrence improved deepwater channel was carried out while the whole of the River breadth from shore to

shore was sounded and examined. Charting operations were continued in Playgreen Lake (Lake Winnipeg); sounding and sweeping was carried out in the approaches to Warrens Landing, and various examinations made off the entrance to Berens River, and in the vicinity of Black Island and Gull Harbour. The Auxiliary Schooner, *Pilot No. I.*, continued charting operations along the south shore of Great Slave Lake from Resolution to the head of the Mackenzie River, the major portion of the season being occupied in covering the district from Hay River to the western end of the Lake, in Wrigley Harbour, Mackenzie River, and about the islands lying at its head. (3) Division of Precise Water Levels—There were maintained during 1931, between Port Arthur and Quebec, 44 permanent gauging stations; 494 months of continuous graphic records of the fluctuations of the water surface elevations of the Great Lakes and St. Lawrence River were obtained, an increase of 142 over the number obtained in 1921. The compilation of the above records entailed well over 750,000 deductions and the handling of over 1,500,000 sets of figures. During the year a total of 25,218 sheets of prepared data, bulletins and hydrographs were issued, being an increase over the number for 1930. Considerable special data and extensive general information relating to the water levels of Montreal and other inland ports were specially prepared and supplied the Commission on the Survey of National Ports. (4) Chart Construction Division—Thirty charts were in hand for printing and publishing as a result of the season's field operations, while the number of hand corrections made to existing charts, to conform with current changes in aids to navigation, charting operations, etc., numbered 34,515. (5) Chart Distribution Division—During the year 9,692 navigational and special charts, and 255 copies of Coast Pilots and Sailing Directions were distributed. At the close of 1931, 350 standard, special and provisional Canadian Hydrographic charts, 10 Pilots or Sailing Directions, and 53 other Hydrographic publications were in circulation. (6) Tidal and Current Division—The 12 principal tidal stations (six on each coast) were maintained and operated; in addition, four seasonal tide and current observation stations on the Atlantic, and three on the Pacific Coast were installed for special or local investigations. The annual Tide Tables for principal and minor Canadian ports and anchorages were compiled, including Port Churchill, Hudson Bay, and in all 105,000 copies distributed. Twenty-five editions of tables and tidal and current reports were placed in circulation.

University of Toronto. Numerous researches under the several departments of the University were carried on during the year ended June 30, 1931. Some of the most outstanding of these activities were as follows: **Physics.**—Studies concerning problems in spectroscopy, colloidal solutions, electrical properties of metals at the lowest temperatures, cataphoresis and with surface tension properties of liquid films, magneto-optical properties of thin metallic films and thin crystalline ones, duration of the metastable states of atoms, heating effects of short radio waves, molecular synthesis and dissociation stimulated by the irradiation of gases with streams of high-speed electrons; and the co-operation by a member of the department with medical men in a series of preliminary experiments that seemed to indicate that certain types of colloids might be of service in retarding the development of cancerous growths. **Medical.**—A series of studies undertaken: to make accurate measurements of the pelvic angle during pregnancy; of the toxaemias of pregnancy by means of intravenous urography with a view to ascertaining the incidence and importance of pressure upon the ureters by the gravid uterus; and of the arterial system by the injection of the same drug into an artery instead of a vein. Dr. A. A. Fletcher's outstanding investigation on the effect of a high vitamin diet on the changes occurring in the colon in chronic arthritis. The publication of a report on the effect of liver therapy on the spinal cord changes occurring in Addison's pernicious anaemia. The finding by both Dr. Campbell and Dr. Gardiner that crystalline insulin, prepared by Dr. D. A. Scott of the Connaught laboratories, possessed not only the full activities of insulin but could be used with advantage in patients sensitive to the proteins of pig or beef contained in the regular commercial prepara-

tions. The continued investigation into the differences in the digestion of lean beef in patients with pernicious anaemia as compared with normal individuals. **Pathology and Bacteriology.**—During the year special investigations were carried on by five Fellows in the Banting Institute, aside from the studies conducted by members of the regular staff. **Pharmacology.**—Experimental studies carried on covered the following: nitrous oxide, cyclopropane derivatives, the anaesthetic effects of cyclohexane and of furan, spinal anaesthesia, urinary acidifiers and antiseptics.

Ontario Research Foundation. In the Report for the year ended Dec. 31, 1931, Dr. H. B. Speakman, Director of the Foundation, announced that subscriptions to the Endowment Fund, totalling 95½ per cent. of the amount originally promised, had been received. Moreover the income of the Foundation had increased from $21,663.30 in 1930 to $30,383.11 in 1931 with regard to work done on behalf of Departments of Government, and from $22,512.71 in 1930 to $30,214.09 in 1931 with regard to similar payments from companies. Subjects investigated experimentally during the year by the Department of Textile Research included the following: the testing of fabrics for tensile strength; the influence of caustic alkali on wool in relation to temperature and concentration; water-wool relationships and the influence of temperature on regain; the moisture-absorbing powers of textile materials in Canada and the influence of storing on the changes in the properties of oil on textile material. In addition to the continued investigation of the iron ore resources of the Province, the Department of Metallurgy reported researches into the malleability of steel; a study of the consequences of slight variations in the heat treatment given to high-speed steel and also the purchase of equipment for the examination of the sands present in Ontario which might be available for foundry purposes. The Departments of Veterinary Science and of Bio-Chemistry also achieved valuable results in the research work undertaken during the year.

Ontario Agricultural College. The major problem of a general nature, involving the attention of a number of departments, was a preliminary survey of pasture conditions in Ontario. Departmental investigations were: **Agricultural Engineering.**—Investigation of open ditches dug by means of explosives; investigation of mechanical refrigeration, electrically operated; installing of drainage systems. **Animal Husbandry.**—Factors influencing percentage of butterfat in milk; various amounts of barley in a dairy cow's ration; bulk in a dairy cow's ration; skim-milk substitutes for calf feeding; breeding *vs.* methods of feeding and management on quality of beef; indoor *vs.* outdoor feeding of hogs; various protein supplements as feed for hogs; pure-bred *vs.* cross-breds in economic pork production; and causes of mortality in winter litters in swine. **Apiculture.**—Fermentation and granulation of honey; artificial insemination of queen bees. **Bacteriology.**—Butter surface flavour; causes of rancidity in cheese; dwarfing and malformation in narcissus; aggultination tests for Sal Pullorum in poultry; cultures for legume seed inoculation; yeast and mould analyses of butter; Soil Plaque Azotobacter; test for soil deficiency. **Botany.**—Chemical weed killers; efficiency of different seed disinfectants in control of oat smuts; control of black knot of plums; tests of spray mixtures and dusts for control of apple scab; investigation of control of Late Blight and Septoria Leaf Spot on tomatoes by spraying and dusting. **Chemistry.**—Soil surveys of Middlesex county and Niagara Peninsula; construction of soil maps for Norfolk, Elgin, Kent, Grenville, Middlesex, Wentworth and part of Lincoln; method of determination of Readily Soluble Phosphorus in soils; nitrate levels in orchard soils; comparison of results from fertilizers of differing analyses used under a variety of soils and with leading farm crops in many foremost agricultural sections of Ontario; quality of arsenical poisons on the market; vitamin content of milk, butter and cod-liver oil; tobacco fertilizer investigations. **Dairy.**—Investigation of factors constituting the production of better milk; length of time cream may be held on the farm preparatory for shipment; pasteurization of milk for cheese making; effect of honey on the flavour of ice cream. **Economics.**—Farm tenancy

in Ontario; incorporated co-operatives. **Entomology.**—The study of the life history and methods of control of Onion Maggot, Oriental Peach Moth, Cattle Lice, Sheep Ticks, Ants and Sow Bugs; a survey of the "Apple Maggot" infestation, working out methods of control; continuation of the investigations of the corn borer and its control. **Field Husbandry.**—The production of a smooth-awned, new variety of barley; zoning the Province for field crop varieties; production of table turnips for shipping; investigation of improved strains of grasses and clovers for Ontario hay and pastures; investigation of the growing of soy beans in Ontario; production of good boiling peas; factors involved in seed setting of alfalfa. **Horticulture.**—The preservation of fruits under cold storage conditions; disease control; the production of canning tomatoes; rose variety testing. **Poultry.**—Influence of cereal grains and protein supplements; the influence on hatchability of fertile eggs of a number of factors; flock inspection and blood testing of Ontario poultry flocks. **English.**—Extension of the Packet Library involving help on debates, plays, papers and speeches; development of a Canadian section in the local library.

Ontario Fisheries Research Laboratory. This laboratory from the Department of Biology, University of Toronto, with Professor William J. K. Harkness in charge, continued the investigation of Lake Nipissing and the streams of Simcoe county during 1931. There were fourteen persons engaged in the study. Dr. G. H. W. Lucas and Mr. J. M. B. Corkill investigated the factors responsible for the oxygenation of lake water. The study of the rate of growth, food and abundance of the fish of the lake occupied a major portion of the time. Dr. E. H. Craigie made a comparative study of the skeletons of the fish in the lake. A party from the Royal Ontario Museum of Zoology at Toronto gave attention to the nests of small-mouthed black bass and prepared colour-sketches of some of the lake fish. During July Professor J. R. Dymond attended an International Conference at Matamek, Quebec, dealing with periodicity of animals. It was hoped that this would prove to be an important aspect in the study of fish life. In August Professor Harkness visited Moose Factory for the purpose of investigating the river fisheries, particularly the sturgeon, of Moose River and vicinity. F. P. Ide continued the study of the ecology of trout streams, placing special emphasis on the mayfly distribution. Results of these studies were published in the Biological Series, University of Toronto Studies.

McGill University. In the Macdonald Physics Laboratory in 1931-32 the following activities were reported:— (1) Dr. L. V. King, F.R.S., developed the mathematical theory of the radiation from radio *antennae*. Beginning with Maxwell's equations, he derived a new method of solution which gives calculable results, comparing favourably with actual measurements. He also gave some solutions of potential in semi-infinite stratified *media*. (2) Dr. A. Norman Shaw developed a simple and general method of deriving thermodynamic *formulae*. (3) Dr. J. S. Foster and Dr. A. V. Douglas proceeded to the Victoria Observatory to obtain the spectra of stars selected for the measurements of the Stark Effect. (4) Dr. J. S. Foster and Dr. J. F. Heard investigated the Stark Effect of xenon. (5) Dr. J. T. Henderson, for the first time, measured the height of the Kennelly-Heaviside layer in Canada. (6) Mr. W. Lyons made measurements and investigated the theory of screening of high frequency waves with thin metal cylinders.

After intensive study during 1931, the Department of Bio-chemistry reported in 1931 definite improvements made in the preparation of cortin used in the treatment of Addison's disease.

The isolation of a sex hormone in pure form, was announced by Prof. J. B. Collip of the Faculty of Medicine on May 27 before a Meeting of the Royal Society of Canada. Dr. Collip described the process of the work conducted over a period of years by a group of young scientists of the Faculty, headed by himself.

Under the auspices of the Department of Mechanical Engineering, discussions on fuel and coal took place at McGill University during the year

1931; the result of the Meeting was the publication in March, 1932, of a 475-page volume covering Canada's coal problem in which the suggestion was made that a national fuel and coal commission be established.

A gift of $25,000 to fight cancer was announced by the Principal, Sir Arthur Currie, on Feb. 23, 1932, who stated at the time that part of the money would be used to establish an out-door clinic at the Royal Victoria Hospital.

The University of Western Ontario. During the year 1931-32 research work of the Faculty of Arts was accomplished by several Departments. Investigation of the virus diseases of tomato plants and of various fungi causing diseases of sugar beets and strawberries was reported by the Department of Botany. In the Department of Chemistry a study was undertaken of organic condensation products with Beryllium Chloride; the problem of corrosion of metals especially in steam heating plants; and the conditioning of hard water for domestic and industrial use were the chief problems under consideration. In the Department of Physics a considerable amount of valuable equipment was secured during the year and some interesting results obtained in problems on short wave communication. In the Department of Zoology problems were investigated on sexual maturity on spawning in certain bivalve molluscs; on the growth of oysters; the effect of low temperatures on certain marine invertebrates; the salmon of certain eastern Canadian rivers; and anatomical studies of the Anura.

The following activities of the Faculty of Medicine during 1931-32 were reported: (1) The Dean, Dr. A. B. Macallum and Dr. N. B. Laughton published an article entitled "The Relation of the Duodenal Mucosa to the Internal Secretion of the Pancreas" in the Proceedings of the Royal Society, B. Vol. III., 1932. (2) Dr. H. A. Skinner investigated the fat content in the developing rat brain. (3) Dr. H. M. Simpson and Dr. C. A. Cline carried out investigations in kidney function and developed an injection method for producing renal sclerosis experimentally. (4) Dr. R. A. Waud was investigating the digitalis-like action of a substance obtained from holly berries and was attempting to crystalize it. (5) Dr. Madge Thurlow Macklin continued her investigations in human inheritance, studying particularly (a) the inherited factors concerned with age of onset in disease, and (b) the inheritance of cancer and problems connected with its increase, as shown by an analysis of the vital statistics of Canada. (6) Dr. C. C. Macklin carried on radiological and histological studies on functional form-changes in the bronchi and bronchioli. (7) Professor F. R. Miller continued his investigations on spinal reflexes; he was awarded the Fellowship in the Royal Society of London.

In the Institute of Public Health research work during the same period included completed investigations on: (1) brucella abortus infection in the herd and amongst the patients of a large institution using raw milk; (2) the B. Coli content of raw and commercially pasteurized milk. Also unfinished investigations on: (1) animal tumors; (2) tularemia in Western Ontario; and (3) chronic rhumatoid arthritis. Other important researches not made public were in process of development at the University.

It was announced during the year 1932 that a cancer clinic, centre or institute was being established at London for the benefit of cancer patients throughout Western Ontario. A full-time radiologist with a staff of assistants would be appointed by the University of Western Ontario. The work in X-ray and radium therapy of the two largest hospitals in London, namely, Victoria and St. Joseph's, would be co-ordinated by the University through the Cancer Centre.

Queen's University. The Report of the Committee on Scientific Research for the year 1931-32 included the following summaries of investigations or studies conducted by the several faculties:

Faculty of Applied Science—(1) a study of a suite of rocks collected from an area north-east of Sudbury; a hitherto unexamined area of rock in that region seemed likely to give the key to the relations of the Killarney granites of the north shore of Lake Huron and the Algoman granite of the

Temiskaming area; (2) the nature and origin of the gold deposits of the Granada Gold Mines Limited, Rouyn Township, Que.; (3) the Catalytic Decomposition of Carbon Bisulphide by Alumina; (4) the Scattering of B-rays; B-rays of High Energy; Continuous Spectra of Y-rays; the Ranges of B-rays in Various Substances; (5) a comparison of Damped with Continuous Waves in Exciting a High Frequency Discharge; (6) examination of the Spectrum of the Air Afterglow when Excited by a High Frequency Discharge. Other activities of the Faculty were: commencement towards experiments of the scattering of electrons and X-rays at high voltages, a 300 kilovolt transformer set having been installed in the basement of Ontario Hall which was being tested; and the drawing-up of plans by D. P. Cooper for the construction of an enormous tidal power development utilizing the international tidal waters of Passamaquoddy Bay, in the neighbourhood of St. Andrew's, N.B.

Faculty of Arts—(1) Photosynthesis in Dulse; (2) Photosynthesis in Diatoms; (3) the Penetration of Light into Natural Waters; (4) the Effect of Plancton on Light Penetration into Water; (5) Light Penetration into Experimental Pools; (6) the Effect of Light on the Growth of Barnacles. With regard to plant diseases: (1) a study of the effects of various commercial germicides in increasing the proportion of germination in common garden seeds; (2) the determination of the pathogens associated with some commercial garden seeds was attempted, by culturing seeds in solid sterile nutrient media; (3) Mercuric Chloride as the most effective disinfectant for seeds. While the above-mentioned experiments were going on, an attempt was made to verify or disprove published accounts of chemical control of a few very common lawn weeds by Copper Sulphate solutions of various strengths from ½ to 2½ per cent.

Faculty of Medicine—(1) the action of adrenaline on the pulmonary artery of the rabbit; (2) the action of pitressin on the pulmonary artery of the cat and the rabbit; (3) the action of Janus green upon blood vessels; (4) the structure of the pulmonary artery of the sheep, pig and horse. From June 18 to Sept. 15, 1931, these problems were carried on in the Department of Medical Research, at the University of Toronto, at the invitation of Prof. F. G. Banting. Another investigation conducted under the auspices of the Faculty of Medicine was reported on the variability of tubercle and other acid-fast species of bacteria.

University of Alberta. Research is conducted in the departments of the University of Alberta, independently and in association with the Research Council of Alberta and the National Research Council of Canada. The following are the most important fields of research during the year 1931-32: Physics—spectroscopy and upper air investigations; Chemistry—benzene production from natural gas, distribution of iodine; Zoology—bird migration, reproduction studies in rats; Botany—peat-bog flora; Geology—stratigraphic studies in the foothills, coal horizons; Anatomy—mammalian heart studies; Physiology and Pharmacology—the effects of alkaloids; Biochemistry—hormones, nutrition; Bacteriology—bacillus Calmette-Guerin; Field Crops—cereal breeding, winter resistance, forage studies, root rot investigations; Animal Husbandry—nutrition studies in hogs and steers, the production of long fibre wool; Poultry—nutrition of chicks; Entomology—wireworm and caterpillar studies; Dairying—acid reaction in milk; Soils—fertilizers, bacterial action of soils; Electrical Engineering—radio oscillations; Industrial Chemistry—properties of Alberta coals, separation processes in bituminous sands.

The Research Council of Alberta. The Council, with offices and laboratories in the University of Alberta, Edmonton, and working in close co-operation with the University, reported activities for the year 1931 as directed mainly towards (1) Coal—completion of the detailed survey of the coals of the South portion of the Province and commencement of a second survey farther North. The Federal and Provincial Mines Branches assisted in this work and the coals were tested for both physical and chemical charac-

teristics. (2) Geological Survey—investigations on Iron ore at Burmis, Gypsum in Jasper Park and Building Stone near Cochrane, and minor surveys in other parts of the Province. (3) Natural Gas—operation, in co-operation with the National Research Council, of a semi-commercial natural gas pyrolysis station at Calgary for the production of Benzine and other derivatives from the natural gas of the Turner Valley field. (4) Soil Surveys—three field parties in areas North, East and West of Edmonton continuing soil surveys of previous years. (5) Road Materials—further laboratory control work on the semi-commercial extraction plant for the Bituminous sands of the Athabaska River area.

The University of Saskatchewan. Important investigations during the year 1931 conducted at the University of Saskatchewan under grants from the Saskatchewan Agricultural Research Foundation were as follows: (1) Cereal Chemistry (Prof. R. K. Larmour); (2) Cereal Diseases (Prof. T. C. Vanterpool); (3) Studies of Indebtedness and Financial Progress of Saskatchewan Farmers (Prof. William Allen); and (4) Turkey Investigation (Prof. R. K. Baker).

(1) Cereal Chemistry, one of the most important of the investigations, begun in 1926 and continued during 1931 and 1932, was the study of the influence of environment factors on the quality or strength of wheat. Five varieties, namely, "Marquis," "Reward," "Garnet," "Ceres," and "Mindum" were being used. Plots of wheat sown with pure strain seed from the one source were being grown each year under supervision in about fifty places in the Province. As the samples in each of the different places were grown from a uniform sample of seed, the observed variations in quality could be attributed solely to difference in soil and climatic conditions. The data thus obtained was useful also in studying seasonal variations. This study was of practical importance inasmuch as it permitted the zoning of the Province into areas on the basis of productions of high quality, low quality, and variable quality wheat.

(2) Investigations on Cereal Diseases, conducted under the auspices of the Foundation, dealt mainly with a root-rot of wheat, of hitherto unknown cause, on Summer-fallowed land. This disease, known as browning root-rot, had been of great concern to farmers for several years and was estimated to reduce the yield of wheat from three to ten bushels per acre where it occurred. Studies at the University showed that the disease is caused primarily by parasitic micro-organisms present in the majority of Prairie soils, but that it is closely dependent on specific climatic and soil conditions. The same parasites are known to cause disease of corn and sugar cane in other countries. As the parasitic organisms concerned are soil-borne and not seed-borne, seed treatments are of no value in controlling the trouble. The practical aspect of the problem centred around the elucidation of those factors which predispose the wheat seedlings on Summer-fallowed land to the attack of the parasites.

(3) Studies of Indebtedness and Financial Progress of Saskatchewan Farmers: the field work of studies by the Department of Farm Management of farm business in areas representative of the major types of farming in Saskatchewan in 1932 were being planned to concentrate on the problem of farm indebtedness.

(4) Turkey Investigation Progress Report: In 1929 a series of experiments in turkey raising were outlined. Five and one-half acres of alfalfa land adjoining the Summer poultry range on the west were secured, and in the Spring of 1930 funds provided by the Foundation were used to build two portable houses and to construct the necessary fences. In 1931, 79 turkeys were reared to maturity. On Dec. 1 these weighed 1,391 pounds. The pullets then averaged 13.85 pounds and the males 21.48. Records showed that only 5.6 cents worth of feed was used to produce one pound of turkey. In the 1932 season about 70 poults were being reared but no data regarding rate of growth or cost of feed would be available until December.

Researches were also conducted at the University during 1931 in Physics, Mathematics, Biology and Chemistry, of a theoretical character and investigations in Economics and Psychology; the latter with special reference to behaviour and maladjustment of school children.

The Manitoba Agricultural College. Important researches carried on at the College during the year 1931-32 were reported as follows: (1) breeding and increase of disease-resistant cereals and forage crops; (2) breeding and increase of smooth-awned and high-malting value barleys; (3) breeding and increase of heavy seed-setting alfalfas; (4) breeding and increase of drought-resisting and of moisture-resisting pasture and hay plants; (5) investigations concerning food reserves of the underground parts of couch grass and perennial sow-thistle; (6) investigations of new cultivating machinery and of the use of chemicals as weed destroyers; (7) a study of the protein content of barley crosses and the change in composition of barley during its growth period; (8) soil survey of the Red River Valley; (9) the development of a method for the quantitative determination of naphthaline in insecticides; (10) the development of a method for the quantitative determination of yellow phosphorus; (11) the preparation of easily oxidizable fatty acids in an inert atmosphere and the development of an improved technique for the determination of iodine values; (12) a study of the relative milling and baking quality of Western Canadian Spring wheat varieties; (13) a study of the reaction of flour milled from common varieties of Western Canadian Spring wheat to bleaching agents; (14) the influence of the presence of immature, green, bran-frosted and heavily frosted wheatkernels on the milling and baking quality of Western Canadian wheat; (15) milling and baking tests on new rust resistant wheat varieties developed by the Dominion Rust Research Laboratory; (16) the nature of the action of oxidizing agents in bread doughs; (17) studies on the biology and control of injurious insects in Manitoba; (18) combined use of photo-electric cell and projection microscope in micro-biological study; (19) study of micro-organisms; (20) barley *vs.* corn in poultry feeds; (21) fish meal as a protein supplement for growing chicks; (22) further work in mineral metabolism of growing chicks; (23) studies in hardiness hybrid and selected types of apples and plums; (24) selecting for type vigour and productivity classes of garden vegetables; (25) sweet Clover Poisoning of Cattle.

University of British Columbia. Important works pertaining to scientific and industrial research published by members of the University staff during the academic year 1931-32 included the following: *Furnunculosis of Game Fish, The Constancy of the Agglutination Test in the Diagnosis of Pullorum Disease, The Effect of Ultra-violet Light upon the Activity of Enzymes—Diastase, Studies on Sclerotinia Sclerotiorum, Mineral Resources of the Peace River Area of British Columbia, Notes on the Ecology of the Cockle, Cardium corbis Martyn, Hydroids of Hudson Bay and Hudson Strait, Winter Steer Feeding in British Columbia, Inheritance of Resistance to Fowl Paralysis, Inheritance of Rate of Growth in Domestic Fowl,* etc.

Rockefeller and Carnegie Foundations in Canada. Expenditures for work in Canada during 1931 by the Rockefeller Foundation were as follows: McGill University—development of research in surgery, $25,000; and in the social sciences, $15,000. University of Montreal—development of Medical School laboratories, $25,000. University of Toronto—research in Department of Pediatrics, $8,000; endowment of School of Hygiene, $600,000; maintenance and equipment, Department of Child Study and Parent Education, $35,000. Canadian National Committee for Mental Hygiene—toward programme of mental hygiene and social science research in Canadian universities, $31,620; development of training centres for advanced students at various universities, $10,000. Toward the organization of county health units in Provinces of Alberta, British Columbia, Manitoba, Quebec and Saskatchewan, $34,027. Toward the organization and development of depart-

ments of epidemiology in Provinces of British Columbia and Quebec, $1,229. Beauce County, Quebec, Training Station for health workers, $4,875. Toward the travelling expenses of 3 health officials, $604. Total Expenditures, $790,355. 23 Canadians studied during the year under fellowships granted by the Rockefeller Foundation.

Retiring allowances and pensions granted by the Carnegie Foundation for the Advancement of Teaching as in force during 1930-31 were as follows: 2, in British Columbia; 34, in Ontario; 22, in Quebec; 4, in Nova Scotia; 2, in New Brunswick; and 1, in Saskatchewan. Total expenditures for the year 1930-31 on allowances were: University of Toronto, $61,738; McGill University, $32,817; Queen's University, $9,590; Dalhousie University, $3,280; University of British Columbia, $1,900; and University of Saskatchewan, $2,400; Total for 1930-31, $111,725. Total given by the Foundation for year ended June 30, 1932, was $114,145.

Research Incidents. At the 52nd Annual Meeting of the Ontario Medical Association in June, 1932, a Committee on the cancer problem headed by Dr. J. S. McEachern, of Calgary, reported in favour of establishing a department of clinical research under the auspices of the Canadian Medical Association. The scheme outlined was intended to bring under unified control efforts underway in cancer research by five Canadian Provinces. (See Section "Province of Ontario" for Report of Royal Commission of that Province).

Dr. J. A. Gray, Chown Professor of Physics, Queen's University, Kingston, was selected in 1932 by ballot by the Council of the Royal Society with a view to his election in May, 1933, as a Fellow of the Society. Dr. Gray's researches in radio-activity, particularly on the properties of beta and gamma rays were of outstanding importance.

Dr. J. S. Plaskett, Director of the Dominion Astrophysical Observatory at Victoria, B.C., received during the year 1932, the Honorary Degree of "LL.D." from McGill University and the Flavelle Medal from the Royal Society of Canada.

Numerous expeditions were planned to visit the path of totality of the Sun's eclipse on Aug. 31, 1932. The Royal Astronomical Society of Canada planned to send a delegation from Toronto, London, Winnipeg and other parts of the West; many groups were also expected from other countries. The "zone of totality" was approximately 100 miles wide. The central line was expected to cross the Canadian National Railway between stations adjacent to the town of Parent, Quebec.

It was announced in June, 1932, that seven outstanding scientists of Canada would begin a 13 months' study in July of meteorological conditions in the Northland. Several countries were participating in the Polar year expedition.

The Council of the Royal Geographical Society awarded, in Apr. 13, 1932, its Victoria Medal to Prof. Arthur Philomen Coleman, Professor *emeritus* of Geology at the University of Toronto, for his extensive contributions to the geography and geology of Canada.

It was announced by the Minister of Agriculture, Hon. Robert Weir, that the Prairies were to have a new forage grass, the crested wheat variety which had been finally developed by the Dominion Agrostologist, L. E. Kirk, after years of trials and experiments. Severe tests in the Summer of 1931 were so successful that the grass was expected to play a large part in the development of live stock in the Western Provinces.

In October, 1931, a Report was made public upon the mental hospitals of Canada, issued by the Canadian National Committee for Mental Hygiene.

TRANSPORTATION AND COMMUNICATION

The Royal Commission on Transportation 1931-1932

Following a suggestion made by Sir Henry Thornton, K.B.E., President of the Canadian National Railways, on June 25, 1931, at a meeting of the Select Standing Committee of the House of Commons on Railways and Shipping, that a Commission be formed for the purpose of considering the railway situation arising out of the serious financial difficulties in which the two large railway systems, the Canadian Pacific Railway Company and the Canadian National Railways, had become involved owing to a considerable shrinkage in their earnings, such a Commission was appointed by the Government on Nov. 20, 1931. The suggestion of Sir Henry had been endorsed by the Parliamentary Committee in their Report and it was unanimously subscribed to by the House of Commons. For many months, previously, discussions of the problem, in the Press and elsewhere, had centred around the advisability of the State-ownership of the Canadian National Railways. In various quarters there was strong agitation for the amalgamation of the two systems. The Commission, which was authorized and instructed to inquire into the whole transportation problem in Canada, particularly in relation to railways, shipping and communication facilities, having regard to existing conditions and probable future developments, was composed of the following: Rt. Hon. Lyman Poore Duff, Justice of the Supreme Court of Canada, Chairman; Lord Ashfield, Chairman of the Underground Railway, London, England; Sir Joseph Flavelle, Toronto; Leonor Fresnel Loree, President of the Delaware and Hudson Railway, New York; John Clarence Webster, M.D., C.M., D.SC., LL.D., F.R.S., Shediac, N.B.; Walter Charles Murray, LL.D., President of the University of Saskatchewan; and Beaudry Leman, B.SC., C.E., Montreal, General Manager and Director, Banque Canadienne Nationale, and a former President of the Canadian Bankers' Association.

The investigations of the Commission, which commenced its sittings on Dec. 4, lasted until August, 1932, most of the meetings being held in camera, including those at which Sir Henry Thornton and E. W. Beatty, Presidents of the Canadian National Railways and the Canadian Pacific Railway, respectively, testified. The investigation included an inspection of the properties of both railways, in the course of which the Commission had with them representatives of the engineering and operating staffs of each system so that any necessary information in relation to the physical properties was

quickly available. During the Western and Eastern tours of the Commission, conferences were held with Provincial Governments, and representatives of transportation and other organizations. The trips were taken alternately on each railway.

At the opening Session of the Commission (Dec. 4), the Minister of Railways and Canals, Hon. R. J. Manion, M.D., in a statement summarizing the railway situation, stressed the "serious effect" of the immense railway obligations upon the financial structure of Canada. He described the steps which led to Canada's overbuilding in railways, the projection of two transcontinental systems in addition to the Canadian Pacific Railway when one would have been ample; the financial embarrassment and threatened failure of road after road; the acquisition of these crippled railways by past Governments, and finally the knitting of them together into the existing Canadian National Railways System. Dr. Manion compared Canada's railroad mileage with other countries: Canada had fewer than 250 people for every mile of railway; Great Britain had approximately 2,000; France, 1,200; Germany, 1,700; and the United States, 500. He spoke of the competitive motor vehicle transport. He outlined the existing financial position of the two great Canadian railway systems: the gross earnings of the Canadian Pacific Railway and the Canadian National Railways combined would be about $200,000,000 less in 1931 than in 1928. As a result, the Canadian Pacific had been forced to cut their dividend in half with the prospect, in the event of continued adverse conditions, of being forced to cancel their dividend completely. The Canadian National Railways, "instead of earnings sufficient to pay its bond interest, will, in all probability, in 1931, be able to meet little, if any, of the $57,000,000 due to the investing public." In addition, he pointed out, the Canadian National System had estimated their other requirements for the year 1931 at approximately $60,000,000.

Briefly, the Minister of Railways and Canals described the capital structure of the two systems. Bonds due to the public by the Canadian National were given at $1,288,000,000. Capital stock covering the cost of the Canadian Northern amounted to $10,000,000. Government obligations totalled $1,357,000,000. This made a grand total of $2,655,000,000. The Canadian Pacific Railway had bonds outstanding of $446,000,000; preferred stock amounting to $129,000,000 and ordinary stock totalling $335,000,000, or a grand total of $910,000,000. In addition to this, Dr. Manion said, the Government in the early days had contributed $105,000,000 in cash and completed road. Leaving out of account the Canadian National debt to the Government upon which no interest had been paid, the two great railway systems had an existing public investment of approximately $2,200,000,000. These tremendous figures, Dr. Manion compared with the costs of the Great War to Canada. Canada's war and demobilization costs amounted to $1,695,000,000. (*The Telegraph-Journal,* Canadian Press dispatch, Dec. 5, 1931).

The Report of the Commission, which was signed by all seven Commissioners, was submitted to the Government, Sept. 16, 1932. It stated that careful consideration had been given by the Commission to a number of plans suggested for the betterment of the transportation situation. The Commission held that whatever the merits or demerits of a complete amalgamation of the two systems under either public or private control, to establish a monopoly of such magnitude and importance would place in the hands of those responsible for the administration of the system, powers which would, if not properly exercised, prejudice the interests of the Dominion as a whole. As to the suggestion that the Canadian National Railways be leased to the Canadian Pacific Railway, either in perpetuity or for such period as would afford an opportunity to effect substantial economies, it was felt that, notwithstanding safeguards, such an arrangement as the former would result in the establishment of a monopoly and, in particular, there was a hesitation to commit future generations, and even "the present one," to a policy which would be adopted under stress of difficult circumstances which might not be best adapted to future conditions difficult to forecast. While a short term lease of, perhaps, 15 years commended itself in some respects to the Commission, the belief was that under such a plan there would be a tendency on the part of the system to merge and that, at the expiration of that period, it would be difficult to re-establish the railways as separate entities.

Recommendations. As essential to the foundation of a practical solution to the whole problem the Commission recommended: (1) the maintenance of identity of the two railway systems; (2) the emancipation of the Canadian National Railways from political interference and community pressure; (3) the provision of machinery for co-operation between the two Systems for the elimination of duplicate services and facilities and the avoidance of extravagance; particularly should an effort be made toward the scale of economies which would bring the burdens of the National System within reasonable dimensions; and (4) the provision of reasonable protection for the privately-owned undertaking against arbitrary action by the publicly-owned undertaking.

To achieve these ends the following recommendations were made: (1) A board of three trustees, one of whom should be Chairman, should be appointed by the Government for terms of unequal length but not more than seven years, to operate the Canadian National Railways (in place of the existing Directorate) and in such trustees should be vested all the powers of the existing Board. (2) The annual budget of the Railway should be under the control of the trustees. Amounts required for income deficits, including interest on railway obligations for capital and for refunding, should first be submitted to the treasury board for its approval and presentation to Parliament by the Minister of Finance. (3) Since the debt of the System was already more than the Railway could carry from its earnings, sums which were required to meet deficits should be voted by Parliament annually and not raised by the issue of railway securities, this recommendation not to apply to capital for improvements and betterments nor to amounts required for funding. (4) A report to Parliament by the trustees should be made annually and should set forth the results of operations and the amounts expended on capital account, brought into comparison with the appropriations made by Parliament. There should also be provision against diverting appropriations for capital account to cover deficits in operation, or for

interest, without the express authority of Parliament. (5) There should be a continuous audit of the accounts of the System by independent auditors appointed by Parliament from a panel drawn up by the trustees. No examination of the detailed accounts of the System should be necessary by Parliamentary Committee. In the interests of discipline and to prevent prejudice to the relations which should prevail between trustees and the staff, the Commission recommended, that the officials of the Company in charge of operations should not be asked to appear for examination. (6) While the responsibility for the direction and control of the system should be made upon the trustees, provision should be made for a President to be appointed by the trustees under whose care the entire working of the railway in detail should be placed and who should be responsible to the trustees and not directly to the Government or Parliament.

The Commission also recommended the setting up of an arbitral tribunal to be composed of the Chief Commissioner of the Board of Railway Commissioners and one representative from each of the two Railways with provision for further appointment by the Exchequer Court of Canada. Subject to the provisions of any statute relating to any particular railway, the tribunal should have full jurisdiction as to measures, plans and arrangements relating to: (a) joint use of terminals; (b) running rights and joint use of tracks where there were actual or functional duplications, or where such might be avoided; (c) control and prohibition in respect to the construction of new lines and provision of facilities and additional services where no essential need of the public was involved; (d) the joint use of facilities where this would promote economy or permit the elimination of duplicating or unremunerative services or facilities; (e) abandonment of lines, services or facilities; (f) pooling of any part or parts of freight traffic or of passenger traffic; and (g) things necessarily incidental to the above enumerated matters.

The conclusions reached by the Commission with regard to competition from other transport agencies—both passengers and freight—was that the problem had reached serious proportions. Figures were given showing the increase in road use between the years 1923 and 1931. In 1923 there were 515,178 private automobiles registered in Canada, while in 1931 this figure had reached 1,024,385, an increase of nearly 100 per cent. There was an increase in motor coaches, numbering 1,636, as registered in 1931, of 61 per cent. over 1927 (records for years prior to 1927 were not available). Motor trucks numbering 165,855 in 1931 had increased 214 per cent. over the number registered in 1923. The total motor vehicles registered, exclusive of motor cycles, increased during the years 1923—1931 from 576,668 to 1,197,-188, or more than 100 per cent. The Commissioners stated that the private automobile had been mainly responsible for the diversion of the bulk of the passenger traffic to the highways, with the result that the short distance passenger traffic of the railways had shrunk to small proportions and their long distance passenger traffic was threatened; that the transfer of traffic from the railways to the motor coach had not in the aggregate reached, to date, large dimensions, but that the use of this agency of transport was increasing and its effect upon the railways was, in some of the more densely populated districts, already considerable; and that, in the conveyance of freight, the motor truck, principally the privately-owned, had made serious inroads into the short distance traffic of the railways. This diversion of traffic from the railways to the highways was principally due to the fact that road conveyance was a more suitable form of transport, either because it was more convenient or because it was definitely cheaper. "But in so far as the diversion is due to lower costs as a result of road vehicles not bearing their fair share of the cost of the highways which they use, or because they are free from regulations analogous to those imposed on other forms of transport, then such a diversion may very well be opposed to the best interest of the country's welfare." The Commissioners pointed out that a wide use of motor vehicles should be anticipated; that in seeking a permanent solution of the railway problem in Canada a fair basis of competition between these two transport

agencies should be found, not only in the legitimate interests of the railways but also in the interests of the public and trade and industry generally. In an appendix to the Report a chapter was included giving statistics of highway transport in Canada and information as to the fees charged and the regulations imposed by Provincial Governments, together with a summary of the views submitted to the Commission of various highway authorities and of those engaged in the motor transport industry. With regard to regulating road motor services and equalizing the conditions under which road and rail services were provided, the Report drew attention to the regulations imposed on the railways, and to the almost entire absence of such on road operators, particularly those operating freight services. It was asserted that, because the railways were essential in a country such as Canada, where freight and passengers must be conveyed over long distances at all times of the year, and "because the railway freight rate structure implies conditions approximating to a quasi-monopoly, the railways require, if they are to continue to operate efficiently, a measure of protection from long distance road competition and an equalization of the conditions under which short distance traffic is carried." A loss to the railways of their profitable short distance traffic would probably necessitate an increase in rates charged for the long distance and heavy freight traffic. The Commission suggested that a co-ordination of services might be effected by mutual agreement when in their opinion the true function of road transport as auxiliary and complementary to the steam railways, would appear. They recommended finally that a uniform system of licensing of all road passenger service vehicles and motor vehicles used for the conveyance of freight should be instituted and that the taxation of motor vehicles should reflect about two-thirds of the total cost of providing and maintaining highways in urban areas and a greater proportion of the cost in the more undeveloped districts.

The Commission sounded a note of warning in concluding their statement:

"We feel compelled, as a matter of public duty, to strike a serious note of warning to the people of Canada. Unless the country is prepared to adopt the plan we have proposed, or some other equally effective measures, to secure the efficient and economical working of both railway systems and thereby not only reduce the burden of the Federal Treasury but improve the financial position of the privately-owned railway, then the only courses that would be left would be either to effect savings in national expenditure in other directions, or to add still further to the burdens under which the industries of the country are suffering by the imposition of yet further taxation.

Failing the adoption of one or other of these courses—and there are obvious limits to their application—the very stability of the nation's finances and the financial credit of the Canadian Pacific Railway will be threatened, with serious consequences to the people of Canada and to those who have invested their savings in that railway."

At the same time as it was made public the Prime Minister (Mr. Bennett) announced that the Report of the Commissioners would be the basis of legislation during the Session of Parliament to be called on Oct. 6. (This record will be contained in the next issue of *The Canadian Annual Review*).

Steam Railways of Canada During 1931-32

The drastic decline in freight traffic on Canadian railways since August, 1929, was shown in the revised *Report of Steam Railways of Canada* for the year 1931 issued by the Dominion Bureau of Statistics in January, 1933. The total revenue ton miles for 1931 was only 62 per cent. of the peak reached in 1928 and was 14 per cent. below the total for 1930. Passenger traffic showed an even worse decline, the total for 1931 being but 56 per cent. of the 1928 traffic and 72 per cent. of that for 1930. It had been impossible to reduce operating expenses sufficiently to offset the loss in revenue and increases in other expenditures with these

decreases in freight and passenger traffic and with interest charges rapidly mounting. The gross operating revenues amounted in 1931 to $358,549,382 as compared with $454,231,650 in 1930 and $563,732,259 in 1928. Gross operating expenses in 1931 were $321,025,587, having been reduced from $380,723,411 for the previous year. Interest charges increased from $108,936,796 in 1930 to $112,732,203, and the debit balance carried to profit and loss increased from $86,128,542 to $123,564,510.

Dividend payments by the railways paying dividends were reduced from $38,890,927 in 1930 to $27,247,990 in 1931, the Canadian Pacific Railway paying $26,190,030 of this amount. The Canadian National Railways closed the year with a deficit of $99,275,680, including the loss in the Eastern Lines and all profit and loss items made during the year, and the Canadian Pacific Railway had a deficit of $19,242,977 after paying dividends, sinking and reserve charges, etc.

Freight revenues (rail line) were $260,463,818 in 1931, as against $322,732,943 in 1930. Passenger revenues declined from $66,763,605 in 1930 to $47,522,479 in 1931. Revenues from the carriage of mail dropped to $7,418,054 from $7,778,960 and express revenues declined to $15,543,183 from $20,502,138. The decline in total railway operating expenses in 1931 was partly made up of the following decreases: maintenance of way and structures from $78,035,587 in 1930 to $66,109,521 in 1931; in maintenance of equipment from $82,123,281 to $65,132,978; and rail line transportation, from $182,629,936 to $155,606,740. After all adjustments, railway operating income amounted to $28,319,446 as against $63,835,457 the previous year.

The number of tons of revenue freight carried in 1931 totalled 85,993,206 as compared with 115,229,511 tons in 1930, and the number of tons carried one mile amounted to 25,707,373,092 as against 29,604,545,125. The total freight train miles decreased from 52,537,500 in 1930 to 44,341,022 in 1931; freight car miles-loaded numbered 1,158,048,960 in 1931 as compared with 1,366,282,569 miles in 1930, and freight car miles-empty totalled 580,251,258 as against 654,807,680 in the previous year.

The total freight loaded at Canadian stations during 1931 amounted to 51,735,251 tons, which was 14,236,493 tons less than for 1930. Over 43 per cent. of this decrease was in mine products; other ores and concentrates, including copper ore, lead ores, etc., decreased by 2,375,960 tons. Rail shipments of bituminous coal and iron ore were affected by the opening of the Welland Ship Canal. Bituminous coal decreased from 12,153,738 tons to 9,962,001 tons and iron ore from 421,546 tons to 45,229 tons. With the opening of the deeper canal, iron ore, which previously moved from Lake Superior ports to Point Edward by boat and from there to Hamilton by rail, moved all the way from Lake Superior to Hamilton by boat. Also shipments of United States coal from Lake Erie ports to Hamilton, Toronto and other lower Lake ports increased *via* the Welland Ship Canal. The industrial depression, however, was the principal factor in these decreases. With a decline in highway construction and in general building, the movement of gravel and crushed stone dropped from 7,692,562 tons in 1930 to 5,256,641 tons. Forest products also showed heavy decreases, especially pulpwood, which amounted to only 2,098,824 tons as against 3,941,747 tons in 1930. Lumber, structural iron, cement, brick, lime and plaster all showed large reductions. Agricultural implements decreased from 485,721 tons in 1929 to 318,019 tons in 1930 and 139,658 tons in 1931, and the movement of automobiles was only 43 per cent. of the 1929 traffic. Receipts from foreign connections also showed large reductions, imports which totalled 11,883,048 tons were 4,874,864 tons less, and in-transit freight totalling 10,218,946 tons declined 2,884,626 tons. Import loadings of anthracite coal in 1931 decreased by 856,181 tons to 2,529,136 tons; bituminous coal decreased by 1,278,679 tons to 4,108,239 tons; and coke, by 407,704 tons to 566,194 tons in 1931. Imports of refined petroleum and its products, largely gasoline, decreased by 200,174 tons to 523,876 tons in 1931, and iron (pig and bloom), by 20,786 tons to

12,156 tons. Agricultural implements and vehicles other than autos decreased from 63,349 tons in 1930 to 11,779 tons in 1931; and automobiles, from 118,227 tons to 69,428. Fertilizers and wood pulp were more than cut in half. The larger decreases in the in-transit freight included: anthracite coal, decreased by 516,446 tons to 627,806 tons; lumber, by 110,859 tons to 354,786 tons in 1931; sugar, by 87,188 tons to 87,071 tons; bar and sheet iron and iron pipe, by 159,162 tons to 195,397 tons; castings, machinery and boilers, by 92,383 tons to 119,628 tons; and automobiles, by 381,270 to 927,144 tons.

Car loadings for the 52 weeks ended Dec. 26, 1931, amounted to 2,570,520 cars, a decrease of 575,727 cars from the 1930 total and of 1,124,895 cars from the high record of 1928, according to the Bulletin, *Car Loadings*, issued by the Dominion Bureau of Statistics. Loadings in the Eastern division were 373,170 cars less than for the previous year. In the Western division the decrease was 202,557 cars. Miscellaneous freight showed a decrease of 152,195 cars, or 19 per cent., and merchandise a decrease of 127,238 cars or 14 per cent., the latter loadings showing a slight but continuous improvement in the index numbers since Sept. 1. The greatest rates of decrease were 44 per cent., or 42,870 cars, in ore, and 43 per cent., or 55,382 cars, in pulpwood. Grain was up 18,659 cars in July but at the close of the year amounted to 382,992 cars, 22,040 cars or 5.4 per cent. under the 1930 total. Live stock was up by 2,373 cars in the Western division but down by 8,788 in the Eastern division. Coal decreased by 60,116 cars, lumber by 44,050 cars and coke by 3,318 cars.

Passenger traffic declined still further in 1931, the total passengers carried totalling 26,396,812 as compared with 34,698,767 in 1930. The number of passengers carried per passenger train mile was 39, as against 48 in the previous year, while the average distance each railway carried a passenger declined from 69.8 to 65.8 miles. Railway services also showed larger reductions, passenger train miles decreased from 47,915,171 in 1930 to 41,984,843 in 1931, and passenger train car miles declined from 350,905,667 to 301,350,517.

Railway mileage operated during the year was increased from 42,075 miles of single track to 42,308 miles, or by 233 miles. There was a net decrease in Ontario of 32.92 miles, while increases were shown in Quebec of 34.65 miles; in Saskatchewan, 102.14 miles; in Alberta, 48.85 miles; and in British Columbia, 75.49 miles. The net changes in the other Provinces were very small. At the end of the year there were 592.91 miles of line under contract and 427.67 miles completed but not open to traffic, exclusive of 63.8 miles of Pacific Great Eastern Railway, 12.0 miles of Canadian National Railways in British Columbia, which was only surveyed, and 153 miles of track which were not being operated in Nova Scotia, Quebec, Ontario, British Columbia and the Yukon Territory.

Taking into consideration the varying duration of employment during the year the average number of employees was reduced, in 1931, to 144,588 from 163,612 in 1930. The total payroll amounted to $218,270,289, or a decrease of $38,330,995, or 14.9 per cent. for a reduction in the average (monthly) number of employees of 19,024 or 11.6 per cent. The highest monthly number of employees was 153,299 for June (1931) as against 175,419 for July, 1930, and 201,056 for June, 1929, the last being the greatest number of railway employees recorded during the previous ten years, the 1931 peak being the lowest of any year during the previous decade. The low point was reached in December (1931) when only 130,802 persons were employed which was a decrease of 70,258 employees from the peak in 1929. 90 per cent. of the work was full time and over 98 per cent. was for nine months, although only 85 per cent. of the employees worked full time. These figures do not take into consideration changes in the personnel of the staff during the year.

The total number of freight cars remained approximately the same, increases being recorded in box, coal and refrigerator cars and reductions in flat, stock and tank cars. Passenger equipment was increased by 265 cars, including rail motor cars. The number of locomotives in service decreased from 5,541 to 5,377, but the average tractive power increased from 36,883

pounds to 37,130 pounds. The bill for locomotive fuel amounted to $31,109,694 in 1931 as against $38,419,360 the previous year. Anthracite coal consumed was reduced by over one-half and bituminous coal from 8,251,167 tons to 6,858,772 tons. Oil consumed by locomotives decreased from 62,215,069 gallons to 50,869,951, but the fuel consumed by motor cars increased from 222,343 gallons of oil and 212,112 gallons of gasoline to 334,627 gallons of oil and 276,579 gallons of gasoline.

The Report stated that only 3 passengers out of the 26,500,000 carried were killed in train accidents during the year, a new low record. The number of passengers injured was 369; employees killed, 42; and injured, 1,131, the two latter being also low records. Persons killed at highway crossings numbered 84, and injured, 321, the fewest since 1925 and 1924 respectively. Low records were also made in non-train accidents, the number of persons killed being 14 and those injured amounting to 4,952.

Statistics for 1932. For the first six months of 1932 gross revenues of Canadian railways were $141,505,446 as compared with $176,550,304 for the same period in 1931. With regard to the two large railway systems, the gross revenues of the Eastern Lines of the Canadian National Railways from January-June amounted to $9,984,670 in 1932 as against $12,673,276 in 1931; operating expenses were $11,772,976 in 1932 and $16,253,204 in 1931; and the operating income debit was $2,430,075 in 1932 and $4,105,154 in 1931. The gross revenues of the Canadian Lines of the Canadian National Railways for the six months amounted to $58,872,056 in 1932 and $72,250,496 in 1931, while the operating income was $1,212,083 in 1932 and a debit of $799,675 in 1931. For the System gross revenues amounted to $70,187,818 and the operating income to a loss of $152,295 as against $88,275,626 and a loss of $1,702,891 respectively in 1931.

There was a decrease in the gross revenues of the Canadian Pacific Railway Company for the six months period, 1931 and 1932 from $72,155,195 to $57,897,348; in the operating expenses from $63,421,911 to $50,672,071 and in the operating income from $6,806,359 to $5,251,879.

For the 52 weeks of 1932 the total car loadings amounted to 2,173,087 cars. The heaviest decrease from the 1931 loadings was 172,082 cars, or 27 per cent. in miscellaneous freight. Merchandise decreased by 94,618 cars, or 12 per cent., lumber by 35,664 cars, or 38 per cent., and pulpwood by 30,127 cars, or 41 per cent. Coke, with an increase of 326 cars, was the only commodity to show heavier loading than in 1931.

The Canadian National Railways. Speaking in the House of Commons during the 1932 Session (Apr. 1) when moving the second reading of a Bill authorizing the provision of moneys to meet expenditures made and indebtedness incurred by the Canadian National Railways during the year 1932, the Hon. R. J. Manion, M.D., Minister of Railways and Canals, stated that although the amount called for in the Bill was $61,500,000, it did not represent the entire requirements of railways and shipping for the year 1932. He pointed out that there would be another item of $10,000,000 which would be necessary for the Maritime freight rates and for steamship needs so that the total estimated requirements for 1932 appeared at the time to be $71,000,000, not including requirements for the Hudson Bay Railway. He explained that the figures for 1931, corresponding to that of $71,000,000 for 1932, was $112,000,000, or nearly $10,000,000 a month.

Referring further to the finances of the Canadian National Railways, Dr. Manion pointed out that the public debt owing on bonds bought by the investing public, and which were being used for the extension of the C.N.R., amounted to $1,280,000,000. The interest on this account in 1931 amounted to $57,000,000 of which $37,000,000 was payable in the United States. Four-fifths of the total debt of $1,280,000,000 was guaranteed by the Canadian

Government on behalf of the people of Canada. Thus, the latter were responsible not only for the four-fifths guaranteed by the Government but also for a large proportion of the remaining one-fifth. The other figure in the financial picture of the Canadian National Railways, he explained, was the Dominion of Canada account amounting to something over $1,360,000,000, made up of loans from the Dominion amounting to a little over $605,000,000, interest accrued upon these loans amounting to $350,000,000 and appropriations for Canadian Government railways amounting to $405,000,000. The last item covered the moneys expended upon the construction of the Intercolonial, Prince Edward Island and National Transcontinental Railways. Answering suggestions which had appeared from time to time in the Press as to a refinancing of the Canadian National Railways which might put the System in a position where it would be able to pay its way, he stated, that even if the total amount of $1,360,000,000 were wiped off it would make no actual difference to the financial position of the C.N.R. "Neither the principal nor the interest has been paid by the National Railways and, in my opinion, I do not think one cent will ever be paid back to the Government. Interest has not been added on the total amount of $1,360,000,000, but it has been added to an item which is part of this amount, to the $600,000,000 advanced during the past few years to the C.N.R. and subsidiary companies. The interest amounts to some $32,000,000 annually and has been added on the books of the Company but has not been added in the Public Accounts of the country . . . Now that I have mentioned the figures, the magnitude of the whole railway problem will be readily appreciated by anyone . . . two-thirds of the interest on this C.N.R. debt is owing in the United States . . . In the last three or four months of last year, it cost the C.N.R. something like $1,000,000 to $1,250,000 in premiums on United States funds in paying the interest in that country." Speaking of the situation of the C.N.R. when the Bennett Government came into power at the beginning of August, 1930, Dr. Manion stated that there were railway committals amounting to $158,000,000, over which, in a general way, the new Government had no control whatever; the amount was a balance of committals made in the previous year, 1929.

Discussing some of the economies effected in the System since the appointment of the Finance Committee early in 1931, the Minister of Railways and Canals mentioned the $13,000,000 saved by the curtailment of additions and betterments, and another $13,000,000 by the dispensing with the services of highly paid supernumerary officers; by cutting down on services on losing branch lines; by curtailment of passenger trains and services; by salary and wage adjustments; by discontinuing the triangular steamship service on the Pacific Coast which was losing heavily on operating; by cutting out club dues, entertainment fees and general expenses of officers and by cutting out a big steamship subsidy by the Canadian National to an Atlantic Steamship Line. He stated that this latter $13,000,000 would be added to by another $15,000,000 in 1932, according to a statement of the Company. Dr. Manion continued: "It is claimed by the two railways that the rates in Canada are the lowest in the world. It is stated by the Canadian National that if their rates were the same as the American rates they would have taken in $15,000,000 to $26,000,000 per annum greater revenue during the past few years."

The economies enumerated by the Minister of Railways and Canals in the House of Commons were also dealt with in the Annual Report of the Canadian National Railways for the year 1931. The Report stated that these economies had been particularly needed during the year 1931, not only to offset past decreases in railway earnings but to meet, in a measure, the severe continued decline in traffic in 1931 which had brought the operation of the Railways to the point where the traffic density was but 703,099 ton miles and 35,338 passenger miles per mile of road. A summary of Revenue and Expenditures (excluding Eastern Lines) for the calendar year was given in the Report as follows:

Revenue

	1931	1930	Decrease	%
Freight	$133,217,349.00	$164,304,476.57	$31,087,127.57	18.92
Passenger	19,656,958.00	28,096,824.19	8,439,866.19	30.04
Express	9,491,132.10	11,499,676.52	2,008,544.42	17.47
Mail	2,925,688.00	3,099,604.46	173,916.46	5.61
Other	11,982,610.90	15,368,966.41	3,386,355.51	22.03
Total	$177,273,738.00	$222,369,548.15	$45,095,810.15	20.28

Expenses

Maintenance of Way and Structures	34,796,190.98	39,862,266.30	5,066,075.32	12.71
Maintenance of Equipment	38,259,945.61	43,197,001.37	4,937,055.76	11.43
Traffic	6,643,500.18	7,731,435.30	1,087,935.12	14.07
Transportation	81,984,650.76	96,382,951.82	14,398,301.06	14.94
Miscellaneous Operations	1,536,330.43	2,237,688.00	701,357.57	31.34
General	7,408,784.43	7,722,773.98	313,989.55	4.07
Transportation for Investment *Credit*	*941,393.92*	*1,360,203.37*	*418,809.45*	30.79
Total	$169,688,008.47	$195,773,913.40	$26,085,904.93	13.32
Net Earnings	$7,585,729.53	$26,595,634.75	$19,009,905.22	
Percentage of Operating Expenses to Gross Revenue	95.72%	88.04%		

According to a Report tabled in the House of Commons during the 1932 Session, the total disbursement in connection with Montreal Terminals to the end of 1931, stood at $14,636,877. About 80 per cent. of all the property necessary for the whole project had been acquired. Where it was impossible to effect satisfactory settlements with holders the cases were ready for presentation to the Exchequer Court. It had been decided, on Oct. 3, 1931, that all work on the Terminals should be suspended as quickly as possible without detriment to the work and with due regard to property commitments. Accordingly, all construction work, with the exception of the substructure of the Lachine Canal bridge, was suspended by the end of the year and only those properties, legal or otherwise, which were under commitment were acquired. On the basis of the work not being resumed fully in 1932, the estimated expenditure for that year was $2,772,530.

The average number of employees on the C.N.R., including Eastern Lines, was 91,416 in 1931 as compared with 101,046 in 1930, a decrease of 9.53 per cent. Payments to operating labour totalled $126,950,841, a reduction of 11.44 per cent. As measures of economy during the year main repair shops were closed for one week during the months of July and August and, effective Sept. 1, a reduction of 10 per cent. was made in working hours reducing the hours to an average of 36 instead of 40 per week; and applied to a number of forces, by mutual agreement, a reduction plan of one-half day per week without pay. On Aug. 1, 1931, following a resolution of the Board of Directors, a reduction of 10 per cent. was made in salaries of all officers and employees earning $4,000 or over per annum.

The Eastern Lines of the Canadian National Railways showed gross revenues for 1931 as $23,231,424 (1930: $28,598,553); and operating expenses as $29,624,986 (1930: $33,028,515). The net revenue deficit for 1931 was $6,393,563 as compared with $4,429,962, an increase of $1,963,600. Freight traffic declined 1,454,428 tons, or 22 per cent. as compared with the previous year. Passenger revenues showed a decline of 26.26 per cent. to a total of $3,542,779 and passenger traffic, as measured by passenger miles, declined 30.10 per cent. Express traffic decreased 17.33 per cent., fish traffic in particular being lighter due to unfavourable market conditions. The Canadian National hotels, Eastern Lines, showed an operating profit, after taxes, of $5,455. The new hotel at Charlottetown was opened May 14, 1931. The first full year's operation of the Nova Scotian hotel at Halifax showed a profit, after taxes, of $27,725. The construction of branch lines under the 1929-1932 branch line construction programme was continued at a reduced rate in view of the financial stringency.

In accordance with his usual practice, Sir Henry Thornton, President of the Canadian National Railways, inspected the whole of the Railway System from Halifax, N.S., to Victoria, B.C., during the year 1931. Many public addresses were delivered by Sir Henry during the year and up to the time of his retirement from the Presidency of the System in July, 1932, which was announced by Hon. R. J. Manion, Minister of Railways and Canals, on the 15th, to be effective from Aug. 1. (For House of Commons Committee Report on C.N.R. expenses, see pages 74-76, this volume).

Other changes in the personnel of the Canadian National Railways (to June 30, 1932) included the retirements of W. D. Robb, Vice-President in charge of Telegraphs, Colonization, Natural Resources, Radio, Insurance, etc., after 60 years of service; and on Dec. 31, 1931, of C. J. Smith, Vice-President in charge of European Traffic and Colonization Department, with headquarters in London, England, the two Vice-Presidencies thereupon having been abolished. The retirements were also announced of H. H. Melanson, Assistant Vice-President of the Intercolonial Railway, New Brunswick, in March, 1932; and of A. A. Tisdale, General Manager, Western Region, Canadian National Railways, Winnipeg, on June 30, 1932. On Sept. 26, 1931, by Order-in-Council, R. Byron Horner of Blaine Lake, Sask., and James Ramsey of Edmonton, Alta., were appointed Directors of the System.

Canadian Pacific Railway Company. The affairs of Canada's great privately-owned railway reflected in 1931 the general decline in business throughout the Dominion and other countries. Drastic economies were inaugurated during the year which reduced working expenses from 1929 to the close of 1931 by $51,153,616: passenger train service was reduced by 3,258,609 train miles and fewer passenger coaches used; locomotives were reduced in number; five operating divisions were eliminated by consolidation; the purchase of stores and supplies was reduced 42 per cent. A ten per cent. cut in salaries and wages was decided upon early in the year 1932. On the basis of payroll figures for 1931 it was estimated that the reductions made and to be made represented, approximately, $9,000,000 annually.

The Company maintained during 1931 its outstanding record for concern in the welfare and general development of the country. Investments were made in the Dominion Agricultural Credit Company for the promotion of mixed farming in the Western Provinces, and a voluntary remittance of one year's interest was made on the total amount owing on their land contracts in the West, and, under certain conditions, a second year's interest was promised by the Company. In their efforts to enlarge trade facilities between Canada, Australia and New Zealand, a half interest was acquired by the Company in 1931 in ships operating between these countries.

At the Annual Meeting of the Company on May 14, 1932, the President, E. W. Beatty, K.C., LL.D., in his Annual Address, summarized the results of the year's operation, and referred to the effect of general economic conditions upon the Company's earnings. (Mr. Beatty's complete Annual Address with the Company's Annual Report for year ended Dec. 31, 1931, will be found in the Supplement in this volume). Gross earnings in 1931 amounted to $142,337,648, a decrease of $40,224,151 from 1930. The 1931 total was made up of: passengers, $19,728,295; freight, $103,444,116; mails, $3,565,385; and sleeping and dining cars, express and miscellaneous, $15,599,850. Working expenses totalled $116,654,776, a decrease of $27,219,350, resulting in net earnings of $25,682,872, or a decrease from the previous year of $13,004,801.

The total tonnage of freight carried by the Canadian Pacific in 1931 declined from 32,103,604 in 1930 to 26,269,478; the number of tons carried one mile decreased from 12,206,703,236 to 10,775,837,079; and the earnings per ton per mile from 1.04 cents to .96 cents. The number of passengers carried in 1931 totalled 8,534,784 as against 11,224,110 in 1930; the number of passengers carried one mile was 712,981,525 as compared with 984,087,483; the earnings per passenger per mile was 2.77 cents as against 2.86 cents; and the average journey per passenger was 83.24 miles, a decline from 87.74 miles in the

previous year. The quantity of grain carried decreased from 226,613,186 bushels in 1930 to 204,844,333 bushels in 1931; lumber fell from 2,447,116,666 ft. to 1,657,470,800 ft.; flour declined from 9,047,590 barrels to 8,986,890 barrels; manufactured articles from 9,787,869 tons to 7,658,486 tons. Live stock only showed an increase totalling 1,726,870 head in 1931 as compared with 1,702,566 head in 1930.

A resolution was passed at the General Meeting of the Company ratifying an agreement enabling the Canadian National Railway to act as agents for the sales of Canadian Pacific Steamship tickets and the obtaining of express traffic in certain places and also for a division of railway traffic between the two companies in certain coast-bound traffic from Canadian Pacific steamers. Another resolution confirming an arrangement for joint facilities with the Canadian National Railways at Saint John was adopted. A third resolution passed permitted the issue of consolidated debentures for an amount not to exceed $50,000,000 in connection with capital cost of extensive property addition and improvements in 1932.

During the year 1931 the President of the Canadian Pacific Railway travelled approximately 25,000 miles in the interests of the Railway. In February two weeks were devoted to a Western tour of inspection of the Company's property and while in Winnipeg an outline of the steps being taken to organize the Dominion Agricultural Credit Company was given by Mr. Beatty to the members of the Board of Trade of that City. The Fiftieth Anniversary of the Company was marked by the President's radio address, "Half a Century of Nation Building" on May 2. Two weeks later he sailed for London where he was the guest of honour on May 26 at a dinner given by Lord Greenwood at which His Royal Highness, the Prince of Wales, was present. Leaving Southampton on May 27 on the maiden voyage of the *Empress of Britain*, the C.P.R. President on June 2 reached Quebec where he took part in the reception in honour of the latest and magnificent addition to the C.P.R.'s fleet of ocean vessels. The function was attended by His Excellency, the Earl of Bessborough, by the Rt. Hon. R. B. Bennett, Prime Minister of Canada, and by Hon. Ernest Lapointe, former Minister of Justice; Hon. L. A. Taschereau, Prime Minister of Quebec; General Sir Arthur Currie, President of McGill University; Colonel Hanford MacNider, United States Minister to Canada; and Commander R. G. Latta.

Following a Maritime inspection tour the Western Provinces were visited by Mr. Beatty during the Summer when conditions in that part of Canada received his earnest consideration. Upon his return to Montreal he sent, in conjunction with the President of the Canadian National Railways, a telegram to the Prime Ministers of Saskatchewan and Alberta offering to provide freight, free of charge, for food stuffs consigned to Provincial relief organizations or such similar bodies as might be designated by the Provinces.

Changes in the personnel of the Canadian Pacific Railway Company included the retirement on July 1, 1931, of John Leslie, Vice-President and Treasurer, after fifty-three years of service, and the appointment of E. E. Lloyd, Comptroller, as his successor. L. R. Unwin, Assistant Comptroller, succeeded Mr. Lloyd, and George E. Carter, Assistant General Passenger Agent, Montreal, was appointed General Passenger Agent, Eastern Lines, effective July 1, 1932, taking the place of George A. Walton, who died on May 18.

An issue of $12,500,000 convertible 10-year, 6 per cent. collateral trust bonds of the Canadian Pacific Railway Company was offered in March, 1932, by a comprehensive syndicate of banks and bond houses headed by the Bank of Montreal. The bonds were sold at $100 and accrued interest and were non-callable. The conversion privilege in connection with the issue provided that the bonds would be convertible at the option of the holder at any time during a period beginning Sept. 15, 1932, and terminating Sept. 15, 1937, into shares of the ordinary capital stock in the ratio of four shares of the par value of $25 to each $100 principal amount of the bonds.

Railway Wages Adjustments. Failure of negotiations between the Canadian Pacific Railway Company and the Canadian National Railways on the one hand and members of the running trades of both systems on the other in connection with an announced cut by the two railways of 10 per cent. in wages, a Board of Conciliation was appointed to investigate the dispute. J. M. Macdonnell, K.C., Toronto, was nominated Chairman of the Board; Isaac Pitblado, K.C., was the nominee of the railways; and J. C. Hemmeon, M.A., PH.D., Montreal, the member designated by the railwaymen. After hearings lasting from Nov. 16 to 26, 1931, a Majority Report was presented to the Minister of Labour on Nov. 30. It was in favour of the 10 per cent. cut proposed by the railways and was signed by Mr. Macdonnell and Mr. Pitblado. It was based on the lower cost of living and the depressed condition of railway earnings. The Minority Report, filed by Dr. Hemmeon, disapproved of the wage reduction, contending that the time was inopportune. The general chairman of the twenty-one railway brotherhoods affected by the ruling, refused to accept the Board's award and presented a protest to the Department of Labour when the two railways announced that the wage cut would be retroactive to Nov. 15. The Department's reply, based on the Industrial Disputes Investigation Act, as amended in 1925, was against the retroactive clause. The railways contended, however, that their action was within the Act. On Dec. 19 and 22 conferences took place between representatives of the men and the railways but no satisfactory result was announced. Finally, after the matter had been in abeyance for some weeks, the announcement was made, that, after further negotiations, the 10 per cent. wage cut had been accepted by the men for one year, dating from Dec. 1, 1931, to Jan. 31, 1933, and that an agreement to that effect had been signed on Feb. 4, 1932. Under the agreement the money subtracted from the men's wages for the two weeks, from Nov. 16 to Dec. 1, was to be returned to them.

Another railway wage dispute occurring early in 1932, and reaching settlement on Feb. 18, was one that concerned the Canadian Pacific Railway Company. The Company proposed the instituting of a 10 per cent. wage cut in connection with their clerks, freight handlers, express and station employees. They also suggested that it be accepted by the men dating from Oct. 16, 1931, until Dec. 31, 1932, and that the agreements covering the basic wages be maintained intact. These latter agreements had become operative in March, 1927, and were subject to reconsideration only after thirty days' notice had been given by either party. Following conferences between the representatives of the Company and the employees the proposal for the temporary wage cut was rejected, whereupon the Company served notice to terminate the agreements covering basic wage rates. A Board of Conciliation consisting of Mr. Justice Greenshields, Chairman; Errol M. McDougall for the Company and Prof. J. T. Culliton, representing the men, was appointed to inquire into the situation. Efforts were made to bring about an agreement before the Board made its award. This was successful and an announcement was made on Feb. 18, 1932, that the men had accepted the decrease from Mar. 1, 1932, to Feb. 28, 1933.

Peace River Outlet. The Report of the Committee appointed by the Minister of Railways and Canals to inquire into the Peace River outlet was tabled in the House of Commons on Feb. 17, 1932. Members of the Committee were: J. M. R. Fairbairn, Chief Engineer of the Canadian Pacific Railway; C. S. Gzowski, Chief Engineer of Construction, Canadian National Railways; and C. R. Crysdale, Consulting Engineer. The Committee found that "no Western outlet is justified for the present, as the existing railway furnishes the most economical route." The Report stated that it would take many times the existing traffic to justify another railway outlet. It declared that the Obed route for a Western outlet was the most favourable from a railway economic standpoint "considering the present phase of the railway situation." It recommended that the matter of a final route be decided when the decision was imperative. The Committee's conclusions were

based upon the Report made in 1925, supplemented by further data obtained in later surveys of the Peace River district.

The presentation of the Report in the House of Commons was followed a few days later by the introduction of a Resolution, afterwards withdrawn, by D. M. Kennedy (U.F.A., Peace River) favouring the constructing of the Peace River outlet to be commenced at the "earliest possible date."

In British Columbia there was much opposition to the findings of the Committee. The Provincial Prime Minister (Mr. Tolmie) declared that there had really been submitted three distinct Reports on the Peace River question: the first had been prepared for the British Columbia Government and the two railways and had dealt with the resources of that section of the country; the second had been prepared for the Canadian Pacific Railway, and had been made at the latter's cost; and the third was, apparently, that of a Committee of engineers representing the two transcontinental railways on the question as to whether a Peace River Railway should be built. He stated that he knew nothing officially of the Committee; that his Government had not been consulted in the matter; and that he did not agree with the engineers' conclusions.

Later, in the House of Commons in March, the Minister of Railways and Canals stated that a Peace River Outlet would have to be built: "It is only a matter of time, a question as to when it would be built." He pointed out that neither of the two great railways would undertake its construction. Therefore, the matter rested with the Federal Government.

The Board of Railway Commissioners

According to the 27th Report of the Board for the year ended Dec. 31, 1931, there were 51 public sittings held during 1931, in the various Provinces, at which 227 applications were heard as follows: Ontario, 27; Quebec, 4; Manitoba, 2; Saskatchewan, 4; Alberta, 3; British Columbia, 2; Nova Scotia, 5; and New Brunswick, 4. The number of matters dealt with by the Board without hearings, as distinguished from matters heard at public sittings, constituted a considerable percentage of the total applications and complaints dealt with. Out of a total of 3,482 applications and complaints, received and discussed, 227 were set down for formal hearing and 93.5 per cent. were disposed of without that necessity. The total number of miles travelled by the Board and its officers during the year amounted to 502,374 and the time taken up in formal hearings and the necessary travelling in connection therewith equalled 39 out of every 100 working days. General Orders issued by the Board totalled 5 and General Circulars issued under the Board's direction to all railway companies subject to its jurisdiction was 1. The total number of Orders issued for the year was 1,870.

The Traffic Department of the Board during 1931 received and filed 38,039 tariffs, of which 27,527 were freight; 7,732, passenger; 1,997, express; 693, telephone; 71, sleeping and parlour car; 6, telegraph; and 13, bridge tolls. The grand total of tariffs, filed since the inception of the work, Feb. 1, 1904, was 1,650,864. The Engineering Department made 330 inspections, comprising those for the opening of a railway, for the carriage of traffic, of culverts, highway crossings, cattle guards, road crossings, bridges, subways, and general inspections. The Operating Department investigated 1,057 accidents covering 183 persons killed and 1,463 persons injured, as compared with 1,239 covering 257 killed and 1,509 injured in 1930. The number of accidents reported by the various railway companies subject to the Board's jurisdiction, totalled 2,429, involving 318 persons killed and 2,680 injured, as compared with 2,427 accidents, covering 425 killed and 2,512 injured in 1930. Of the total number of persons killed and injured there were 142 trespassers killed and 200 injured. 320 accidents at public highway crossings were investigated, 64 occurring at crossings protected by gates, bells, watchmen, and lightning flash signals, involving 23 persons killed and 81 injured. The remainder, at

unprotected crossings, covered 75 persons killed and 375 injured. Of the total, automobiles were involved in 281 accidents, horses and rigs in 11, and pedestrians in 22. There were 9 automobile accidents at crossings protected by gates, 5 where watchmen were employed, 32 where bell protection was provided, 4 where lightning flash signals operated, and 231 at unprotected crossings.

The Fire Inspection Department reported that the railway fire record for the year compared very favourably with that of any in the previous 20 years and that while favourable weather conditions accounted in some degree for the reduced losses, credit must be given the railways for much effective work in fire prevention and control. 578 fires attributed to railways, burned 6,933 acres of young forest growth, 1,290 acres of merchantable timber lands, 1,008 acres of slashing or old burned lands not restocking, and 10,706 acres of non-forested lands. Under the Board's requirements, special patrols, by 1,095 employees, were maintained by the railways on 8,025 miles of line, supplemented, in case of need, by any other employees available. In accordance with the Board's Fire Guard Requirements, the railways constructed or maintained 5,703 miles of fire guards in uncultivated lands in the Prairie Provinces. Officers of the Department inspected during the year the fire protective appliances on 4,054 locomotives.

Changes in the personnel of the Board during 1931 were announced as follows: on Aug. 13, Hon. Charles P. Fullerton, Winnipeg, Judge of the Court of Appeal of Manitoba, as Chairman, in succession to Hon. H. A. McKeown who had resigned several months previously; on Dec. 16, F. Albert LaBelle, Hull, and George A. Stone, Moncton, Commissioners, replacing, respectively, Thomas Vien, Deputy Chief Commissioner, who had resigned and Calvin Lawrence whose death had occurred some time before.

Freight Cases. The Board of Railway Commissioners refused on Sept. 16, 1931, the application heard on Sept. 10 of the City of Victoria, B.C., and the Panama-Pacific Grain Company for an order from the Board directing the Canadian Pacific Railway Company to fix and incorporate in its tariff of tolls an export grain rate to terminal elevator in Victoria the same as prevailed on shipments to Vancouver and, further, that the rate be equal to the export rate to said elevator incorporated in the special competitive tariff issued by the Canadian National Railways. F. W. Turnbull, K.C., appeared for the appellants. He stated that the elevator in question could not be operated successfully with the grain received from the C.N.R. alone. There was a difference of 21 cents in the rate from Calgary or Edmonton to Vancouver and Victoria, it was claimed and this discriminated against the latter city, contrary to the Railways Act, it was contended. The C.P.R. refused to quote other than a domestic rate of 41 cents per 100 lb. while the export rate to Vancouver was 20 cents making the discriminatory difference of 21 cents. It was also stated that at certain times of the year Vancouver facilities were not of the best because of congestion and for this reason it was advisable to maintain additional accommodation at Victoria. Counsel for the C.P.R. claimed that it was impossible for the Railway to quote the same rate for Victoria as for Vancouver owing to the fact that the C.P.R. had not the same facilities at the former Port and to provide such would entail an expenditure on the part of the C.P.R. equal to $27.40 a car which would be prohibitive.

On Oct. 22, 1931, at Vancouver, a decision in the two applications for a connection with the Vancouver and Lulu Island Railway by the Canadian National Railways was reserved by the Board of Railway Commissioners. The applications asked permission to join the C.N.R. Lulu Island branch with the Vancouver and Lulu Island Railway at two points: Tucks station in Richmond and Sussex Street in Burnaby. The Canadian Pacific Railway Company counsel, in outlining the history of the Lulu Island Railway, showed the development of the area that had taken place since it was built, and said that to all intents and purposes it was C.P.R., being operated by the British

Columbia Electric Railway on the C.P.R.'s behalf. At Ottawa on Jan. 5, 1932, the Board of Railway Commissioners rejected the application of the Canadian National Railways for interchange facilities between its Lulu Island branch line and the Vancouver and Lulu Island Railway. Comment was made at the time by the Chairman of the Board upon "unnecessary duplication of railways which exists in Canada to-day."

The appeal before the Supreme Court of Canada, Ottawa, by the Canadian Pacific Railway Company and the British Columbia Electric Railway Company Limited from the Board of Railway Commissioners' Order No. 42,808, dated June 10, 1929, was argued on Oct. 13 and 14, 1931, and judgment was delivered on Dec. 22, 1931. Order No. 42,808 directed the British Columbia Electric Railway Company Limited and the Canadian National Railways to publish and file, effective not later than July 15, 1929, between stations on the Vancouver and Lulu Island Railway and points on the Canadian National Railways *via* direct connection between the Companies, joint rates on the same basis as those then published between the said Vancouver and Lulu Island points and stations on the Canadian Pacific Railway. This Order, No. 42,808, had been suspended but was subsequently, on Mar. 7, 1930 re-instated and confirmed. On May 7, 1930, the British Columbia Electric Railway and the Canadian Pacific Railway, having obtained leave from a judge of the Supreme Court of Canada, appealed to the Supreme Court of Canada upon the following questions: (1) Had the Board of Railway Commissioners for Canada, under the circumstances of this case, jurisdiction under the Railway Act to issue Order No. 42,808 in so far as it directed the British Columbia Electric Railway Company Limited to publish and file joint rates between stations on the Vancouver and Lulu Island Railway and points on the Canadian National Railway *via* direct connection between the British Columbia Electric Railway Company Limited and the Canadian National Railway? (2) If the above question should be answered in the affirmative, had the Parliament of Canada jurisdiction to confer upon the Board of Railway Commissioners for Canada authority to compel the British Columbia Electric Railway Company Limited to publish such joint rates over the route in question? In the judgment delivered question No. 1 was answered by the Supreme Court in the negative; and in view of that answer it was unnecessary to answer question No. 2.

The Supreme Court of Canada on Oct. 6, 1931, dismissed the appeal of the Province of Alberta against the Board of Railway Commissioners' Order of Nov. 25, 1930, which refused the Alberta application for an Order by the Board directing the Canadian National Railways to place in effect lower tariffs on grain and flour from points within the Province to Fort William, Westfort, Armstrong in Ontario and to Vancouver, British Columbia. The case went back to the re-instatement of the Crow's Nest rates on grain by the Dominion Statutes of 1925 when the Transcontinental Railways applied the original Crow's Nest rates to main line points but by the Board's general Order of Aug. 26, 1927, they were directed to apply the Crow's Nest rates to branch line points also. (See previous issues of *The Canadian Annual Review*). They complied with the general Order according to their own interpretation of its requirements which was not satisfactory to the Province. The Supreme Court of Canada stated that it was legal for the Canadian National Railways to charge the rates complained of in the application and stated that the Board of Railway Commissioners had the right to allow the C.N.R. to charge such rates; and that the rates complained of in the application did not contravene the provisions of general Order No. 448, of Aug. 26, 1927, Paragraphs 1 and 2.

The appeal of the Halifax Harbour Commission and the Maritime Board of Trade Transportation Commission, supported by the Saint John Harbour Commission to the Dominion Government against the Board of Railway Commissioners' Order No. 45368 of Oct. 28, 1930, was heard on Jan. 14, 1932. The case went back to the Board's general Order No. 448, Aug. 26, 1927, Part 4 of which reduced the rate on export grain from Port Arthur, Fort William

Westfort and Armstrong, Ontario, to Quebec, effective not later than Sept. 12, 1927, from 34½ cents per 100 lb. on wheat, and from 33 cents per 100 lb. on other grains, to 18.34 cents per 100 lb. on all grains. Subsequently, the Halifax Harbour Commission applied to the Board (which was refused on Oct. 28, 1930) for reduction in the export grain rates to Halifax and for restoration of the previously existing differential over Quebec of one cent per 100 lb. or 0.6 cents per bushel. This meant that the Harbour Commission wanted an export rate of 19.34 cents per 100 lb. on all grains, equivalent to 11.6 cents per bushel compared with export rates then existing of 21.3 cents a bushel on wheat and 20.40 cents a bushel on other grains. (For full history of case see previous issues of *The Canadian Annual Review* as follows: Volume *1928-29,* page 190; Volume *1929-30,* page 315; and Volume *1930-31,* page 394-5). The Canadian Pacific Railway, the Canadian National Railways and the National Millers' Association were all represented at the hearing before the Government. Judgment on the appeal was reserved. The Prime Minister indicated that the Government might decide to deal with the appeal by submitting a stated case to the Supreme Court of Canada to determine whether eastbound export grain rates should be reduced on the strength of the National Transcontinental Railway Act, remarking that such a reference could be made by Order-in-Council. W. N. Tilley, representing the C.P.R., declared that such a course of action would be satisfactory to the railways. E. C. Phinney, Chairman of the Halifax Harbour Commission, declared that it would not be satisfactory for Halifax.

On June 14, 1932, the Board of Railway Commissioners delivered judgment in connection with an application of the Lakeside Milling Company Limited of Toronto on behalf of all other Ontario grain millers for a rate on eastbound mill products from Ontario points that would be commensurate with the water competitive rate applied on similar traffic from Lake ports. It was charged in the application that the water competitive rate operated as a preference extended to Western millers and that it disrupted the business of the Ontario millers. The judgment of the Board was to the effect that the seasonal rail rates on grain and grain products did not unjustly discriminate against the inland Ontario millers in favour of the millers of Western Canada.

Of interest to Canadian railway managements was the decision of the United States Interstate Commerce Commission in December, 1931, in connection with the request of the country's railroads for permission to increase freight rates 15 per cent., revenues having steadily fallen with the prevailing economic depression. Freight car loadings had shrunk from 1,000,000 cars to 700,000 cars per week, part of the decline being attributed to water and motor vehicle competition. The only alternative to higher freight rates was lower wages if the amount of approximately $400,000,000, needed by the railroads was to be obtained. The Interstate Commerce Commission, in October, had rendered judgment to the effect that the railways might impose surcharges of $3 and $6 on some types of freight and one and two cents per 100 lbs. on others; rates on agricultural products were to be left untouched. The surcharges were to be less than 10 per cent. and would be granted only on condition that the proceeds of the surcharges were pooled and needy railroads assisted in meeting interest on their bonds. Upon further application of the railroads the Interstate Commerce Commission, on Dec. 24, granted the carriers special permission to file a blanket tariff applying surcharges on freight bills, the increase to go into effect on five days' notice instead of the usual 30 days'. It was later announced that the increased rate would become effective Jan. 4, and that the increases would range from 6 cents a ton to 2 cents per one hundred pounds with agricultural products exempted. The surcharges would remain in effect only so long as needed to help railroads, unable to earn interest on their bonds, over the financial crisis, the extreme limit set by the Commission being Mar. 31, 1933. The money derived from the increases was to be collected by the Railroad Credit Corporation who would make loans to needy railroads, excluding railroads in bankruptcy. The money would eventually be returned to the railroads originally collecting it.

Postal Affairs; Express Companies; and Other Traffic

The Annual Report of the Postmaster-General (Hon. Arthur Sauvé) for the fiscal year ended Mar. 31, 1931, stated that savings had been effected during the year by the reduction in frequency and by the consolidation of both railway post office and baggage car services. The substitution of baggage car service for railway post office service, wherever possible, had reduced the cost to the Department in both payment for mail carriage and for personnel. Notwithstanding the fact that there was an actual increase in the mileage travelled with mails, and that postal services in new territory were established to the extent of 838 track miles, the cost of all services by railway was considerably reduced as a result of the action taken. Direct parcel post was established during the fiscal year with Cuba and Egypt, and parcel post services arranged to the Union of South Africa *via* New York, to Chile and Paraguay *via* Argentina, and to Norway, Denmark, Finland and Esthonia *via* Sweden.

The total number of post offices in operation in the Dominion on Mar. 31, 1931, was 12,427, an increase over the previous year of 18. There were 198 offices established during the year and 171 were closed. The net revenue of the Department for the fiscal year amounted to $30,416,107, a decrease of $2,553,186 from 1929-30, while the expenditure was $36,292,606, an increase of $1,255,974. This left a total deficit for the year of $5,876,497.

An Amendment to the Criminal Code, proposed at the suggestion of the Postmaster-General, which rendered guilty of an indictable offence those who were party to the conveyance of certain prohibited articles (chiefly gambling devices and lottery tickets) by freight, express or ship when they were not allowed to go by mail, was passed by the Canadian Parliament on Feb. 16, 1932.

Changes in postal rates affecting Canada were as follows: on Mar. 1, 1932, the letter rate from Canada to Spain was decreased to 3 cents for the first ounce and 2 cents for each additional ounce; a tax of 3 cents on Money Orders over $5 became effective on May 1; at June 30, 1932, the air mail rate within Canada and to Great Britain and Northern Ireland, the Irish Free State and Newfoundland was 6 cents for the first ounce and 5 cents for each ounce thereafter; to the United States and Bermuda, 8 cents for the first ounce and 13 cents for each additional ounce; and to Europe, 10 cents each ounce. On Aug. 14, 1931, the Postal Department at Washington, D.C., announced an increase of postage to become effective on Sept. 1, 1931: on letters to Canada and Newfoundland, from 2 cents an ounce to 3 cents; on post cards, from 1 to 2 cents; and on air mail to Canada, from 5 to 6 cents for the first ounce and 10 cents for each additional ounce.

Commemorative postage stamps in the denomination of three, five and thirteen cents in connection with the Imperial Economic Conference were in course of preparation early in June, 1932.

After two years of continuous operation the trans-prairie air mail route from Winnipeg to Edmonton was discontinued at Apr. 1, 1932, for an indefinite period. Several months earlier the Regina-Edmonton and Winnipeg-Calgary schedules had been superseded by the Winnipeg-Edmonton route. On May 1, 1932, the air mail service between Toronto and Detroit was also suspended for an indefinite period. A new record for mail delivery from the British Isles was established on June 28, 1932, when, by means of the inauguration of the Ottawa-Belle Isle air route, letters were delivered in Ottawa, Montreal and New York four and a half days after they were posted. This service remained in operation during the Imperial Economic Conference (July) in Ottawa. (For air mail statistics, see Sub-Section: "Aviation in Canada").

Express Companies. At the end of the year 1931 there were only four organizations providing express services in Canada: (1) the Canadian Pacific Express Company, which was a subsidiary of the Canadian Pacific

Railway Company and handled the express business of the parent company; (2) the Express Department of the Canadian National Railways; (3) the Express Department of the Northern Alberta Railways; and (4) the Railway Express Agency, operating mainly over the Canadian sections of the United States railways. The British American Company had operated over the Algoma Eastern Railway until June 30, 1930, and over the Algoma Central and Hudson Bay Railway until Feb. 28, 1931.

The combined companies operated over 42,746.11 miles of steam railways; 313.17 miles of electric railways; 5,676.32 miles of steam boat lines; 155.50 miles of stage lines; and 18.00 miles of miscellaneous lines, a total of 48,909.10 miles. In addition the Canadian Pacific Express Company operated over 14,227 miles of ocean. The Companies employed 4,616 full-time employees, who received $7,375,493 in salaries and wages. $635,194 was paid to part-time employees. Gross earnings of all Companies were $20,115,285, compared with $24,352,181 in 1930. Operating expenses were reduced from $12,759,439 in 1930 to $11,292,957 in 1931. Express privileges, being the amount paid to carriers for transporting express matter, cost $10,909,184, leaving a net operating deficit of $2,086,856 for 1931, as against a deficit of $787,318 the previous year.

The Canadian National Railways' Express Department, operating over 24,176.88 miles of lines, with 2,620 employees receiving $4,126,896 in salaries and wages, showed gross receipts from operation of $10,643,992; express privileges, $4,752,754; operating expenses, $5,795,943; net operating revenue, $95,295, and net corporate deficit, $68,881.

The Canadian Pacific Express Company, operating over 32,652.21 miles of rail and ocean lines, had 1,886 full-time employees, who received $3,073,850. $630,582 was also paid to part-time employees. The Company showed gross receipts from operation of $8,486,842; express privileges, $5,596,057; operating expenses, $5,098,869; net operating deficit, $2,208,084; and net corporate deficit, $2,140,281.

The Board of Railway Commissioners passed General Order 494 on Oct. 27, 1931, permitting the publication and filing, upon one day's notice, of a tariff providing for collection of a surcharge of 60 per cent. of the rate of exchange on express shipments between Canada and the United States. The surcharge was to be assessed on the total through charges when they were collected in Canada, such total through charge including the charge for valuation, manifesting fee and advance charges payable to U.S.A. carriers, but not including the Customs service fee or special charge for switching when performed in Canada.

It was officially announced on Aug. 21, 1931, that Canadian express companies had filed tariffs, effective between Aug. 18 and 24, making lower rates then existed formerly on all traffic rated at first class or lower in the express classification. The reduced rates were applicable on shipments weighing over 100 lb. and applied between certain large centres of population and surrounding cities and towns within a radius of approximately 300 miles, the reductions being effective in both directions. The rates were graded on an entirely new system, the changes being of an experimental nature and the tariffs specified that they would expire Feb. 16, 1932, unless changed, cancelled or extended at that date. The reduced rates had been inaugurated to meet motor truck competition.

Miscellaneous Traffic Reports. According to the Report for 1931 on International Bridge, Ferry and Tunnel Companies issued by the Dominion Bureau of Statistics (Sept. 9, 1932), the total number of persons crossing the international boundary between Canada and the United States on bridges, ferries and through tunnels during the year was 33,726,740 as compared with 31,597,976 in 1930. The traffic consisted of 7,597,983 motor vehicles, and 213 horse-drawn vehicles. (This tally counted one round trip as two trips). The heaviest traffic was between Detroit and Windsor and Walkerville where two ferry companies operated across the Detroit River,

in addition to one bridge and a tunnel for pedestrians and vehicles. The traffic on the bridges across the Niagara River at Fort Erie, Niagara Falls and Queenston was also heavy. Of all international bridge, ferry and tunnel companies, capital stock totalled $53,233,456 in 1931 as compared with $52,143,076 in 1930; revenues, $4,537,409, as against $4,732,320; expenses, $3,359,837 as against $2,771,959; gross income, $1,301,388 as compared with $1,551,376; and net income, (deficit) $1,229,686, as compared with (deficit) $781,775 for 1930.

Organized to deal with problems connected with the shipment of goods and with a membership comprising traffic managers of industrial concerns and their assistants, the Canadian Industrial Traffic League was constituted on a national basis but with divisional executives in Ontario and Quebec. The Annual General Meeting was held at Montreal on Jan. 28, 1932. Reports of Committees, through which the functions of the League principally performed, were presented on air transportation, bill of lading, car demurrage and storage, education, export and import, express, highway transportation, inland waterways, and legislation. Important resolutions adopted recommended that operators of commercial motor vehicles on highways be reasonably taxed in connection with construction and maintenance of highways; that the League should go on record as opposed to the development of the St. Lawrence "at the present time" for the reasons: (1) that by a small expenditure upon the existing canals their capacity could be greatly enlarged; (2) owing to the financial position of the country; (3) and that the benefit would accrue to the transoceanic importer only. Representations were endorsed for submission to the Royal Commission on Railways and Transportation. The following officers were elected: President, T. F. Rahilly, Algoma Steel Corporation Limited, Sault Ste Marie; Vice-President, J. K. Smith, Manager, Transportation Bureau, The Montreal Board of Trade; Treasurer, H. W. Blahout, Dunlop Tire and Rubber Goods Company Limited, Toronto; General Secretary, A. R. Treloar, Toronto.

Electric Railways in 1931

According to the Final Report of the Dominion Bureau of Statistics for the year 1931 (issued in October, 1932), passenger traffic of electric railway systems in Canada showed further decreases, the total number of passengers carried being 720,468,361 as against 792,701,493 in 1930, a decrease of 72,233,132 or 9.1 per cent. None of the railways showed an increase. Three railways ceased operation during the year: the Toronto Suburban on Aug. 15; the Hamilton, Grimsby and Beamsville on June 30; and Sarnia Street Railway on Feb. 25. The Hamilton Radial, which had been doing a small freight switching business, leased its line to the Canadian National and Toronto, Hamilton and Buffalo Railways. The total decrease in track mileage was 115.73 miles.

Gross revenues of all electric railways amounted to $49,088,310, a decrease of $5,630,949 over 1930. Operating expenses were $35,367,068, reduced by $3,758,447. 27 railways showed deficits for the year 1931 but the incomes of 25 systems (the balance of a total of 52 presenting reports) more than overcame these losses, making the net income for all systems $7,585,297, as against $10,111,782 in 1930. Seven railways declared dividends, the total being $2,979,670 as compared with $3,402,261 in the previous year. The total number of employees was reduced from 18,340 in 1930 to 17,158 and the payroll from $26,954,994 to $24,647,391 in 1931.

Other facts contained in the Report were: total single track miles, 2,260.87; one-man cars in operation, 1,181; two-men cars in operation, 2,113; total passenger cars, 4,050; buses in operation, 547; electric locomotives, 52; passengers carried, 720,468,361; tons of freight carried, 1,977,441; passenger earnings, $46,022,174; freight earnings, $1,563,975; total capitalization, $216,778,096. During the year there were 65 persons killed in accidents involving electric railways, cars or buses, and 4,147 persons injured.

The Montreal Tramways Company, operating under the supervision of the Montreal Tramways Commission, supplied the City of Montreal with its

transportation services. Revenue passengers during the year 1931 on tramways numbered 211,458,523, a decrease of 15,678,058 from 1930 or 6.90 per cent., and on autobuses, 20,682,580, an increase of 2,631,657 or 14.58 per cent. Gross revenue amounted to $14,574,919; expenditures, $10,621,733 and net earnings, $3,953,186. The Company entered into an agreement in May, 1931, to operate a bus service between the City of Longueuil, the Town of Montreal South and the City of Montreal for a trial period of nine months which was extended, at the expiration on Dec. 31, for a further period of four months. An Act giving the right to extend its transportation system to Longueuil and Montreal South was granted by the Quebec Legislature. Added to the system during the year were 7.75 miles of single track, with 8.95 miles renewed and reconstructed; also added were 34 autobuses making a total in operation of 155. Julian C. Smith was President; J. E. Hutcheson, Vice-President and Managing Director; Kenneth B. Thornton, General Manager, and Patrick Dubee, Secretary-Treasurer. The Montreal Tramways Commission was composed of J. F. Saint-Cyr, Chairman; John S. Archibald, Vice-Chairman, and Paul A. Béique, Commissioner.

Street railway, Island ferry and bus services in Toronto were supplied by the Toronto Transportation Commission, acting for the owners, the City of Toronto. According to the Tenth Annual Report for the year 1931 revenue passengers carried on the City system in 1931 numbered 182,923,203 as compared with 199,522,863 in 1930. Gross revenue declined from $14,068,380 to $12,800,639; expenditures for operation and maintenance were cut from $9,008,603 to $8,026,809 and fixed charges and reserves, from $4,937,407 to $4,760,224. Net income carried to surplus amounted to $13,606 as compared with $122,369 in 1930. Investment in fixed assets at Dec. 31, 1931, was $52,636,431, an increase of $733,088. At the end of the year the Commission owned 987 passenger street cars and 214 buses and coaches. Gray Coach Lines, Limited, which operated all the motor coach transportation services of the Commission, had a gross revenue in 1931 of $1,114,437 as compared with $1,322,077 in 1930. Expenditures for operation and maintenance amounted to $806,635, leaving income available for reserves and dividends, $307,803. After these deductions, $5,067 was carried to surplus. Total investment in coaches, equipment and franchise rights at Dec. 31, 1931, was $1,973,451. The Commission was composed of William C. McBrien, Chairman; S. J. McMaster, Vice-Chairman; and F. L. Hubbard, Commissioner, and with D. W. Harvey, General Manager.

Other Electric Railway systems reported decreased earnings in 1931 as compared to the previous year. The Winnipeg Electric Company, operating the street railway in that City, owing to an upward revision in fares did not show in their revenue for 1931 a decrease of similar degree to that of 1930 with the year 1929; but although operating expenses of the utility were reduced to a very considerable degree as a result of economies in operation and some reduction in service, it was not possible to offset the full loss in gross earnings. The British Columbia Electric Railway Company Limited, supplying the Cities of Vancouver, Victoria and New Westminster and adjoining municipalities with street railway services, showed a decrease, in its Annual Report for the year 1931, of 1,873,891 passengers and 110,791 tons of freight as compared with 1930. The tramway service of the City of Halifax, supplied by the Nova Scotia Light and Power Company Limited, reported that 11,387,465 revenue passengers had been carried during the year 1931 at an average fare of a fraction under 6 cents each, and of these 5,342,161 had ridden on the weekly pass for only 3.4 cents per ride; this was a decrease of nearly a million revenue passengers from the previous year. The Ottawa Electric Railways Company showed a decrease in passengers carried of 2,069,812 and a decrease in revenue of $119,230 as compared with 1930. The Quebec Power Company's Report stated that the number of passengers carried in 1931 on the tramway decreased about 8 per cent. The London Street Railway reported a deficit in 1931 of $13,387, gross earnings having fallen from $610,435 in 1930 to $561,925 in 1931; of this $39,072 had been saved by wage cuts and $8,938 through reduction of other charges. The number of passengers declined 1,229,662 to a new low for recent decades of 9,961,664. The results of

operation for the year 1931 of the Regina Municipal Railway showed a large decline from the previous year, revenue passengers carried decreasing from 5,946,184 in 1930 to 4,293,639 in 1931; a deficit for the year of $112,189 was shown as compared with a deficit of $56,766 in 1930. The Calgary Street Railway, municipally owned and operated, reported car earnings for 1931 of $725,582, with a total revenue of $782,713 and expenditures, $871,400, leaving a deficit of $88,687.

At its Annual Meeting held at Halifax, N.S., on June 9 and 10, 1932, the Canadian Electric Railway Association changed the name of its organization to the "Canadian Transit Association," which was considered to be more representative of the sphere covered. In his address the President, K. B. Thornton, General Manager, Montreal Tramways Company, declared that "notwithstanding the inroads on street rail transportation by buses, and particularly by automobiles, the electric street car remains the backbone of mass transportation." He stated that although there was a decrease in revenue passengers carried by Canadian electric railways from 836,729,851 in 1929 to 785,897,801 in 1930 and to 728,920,293 in 1931 the curve of traffic had, during the first few months of 1932, exhibited a tendency toward flattening out, which meant stabilization prior to recovery. Capital invested in electric railways in Canada in 1931 was $260,934,407 as compared with $247,761,974 in 1930, an increase of about 5 per cent. The average fare in Canada was estimated at 6.10 cents. Electric railways operated 321 feeder buses and 295 special coaches in 1930. The Secretary reported the intention of the Association to try to secure as members all the bus companies operating in Canadian cities and that if this were accomplished a Motor Bus Section of the Association would be established. He also mentioned the presentation of data on the operation of buses and coaches by electric railway companies to the Dominion Government Commission on Railways and Transportation through Lieut.-Col. Thomas Vien, K.C. Reports of the following Committees were presented to the Meeting: Accident and Claims; Bus and Coach; Publicity and Merchandizing of Transportation; Rail Corruption; Standards; and Traffic Control.

Officers elected were: Honorary President, William C. McBrien, Toronto; Honorary Vice-President, Acton Burrows, Toronto; President, J. B. Hayes, B.SC., C.E., Manager, Nova Scotia Light and Power Company; Vice-President, H. R. Mallison, Vice-President and Managing Director, Provincial Transport Company; Treasurer, H. C. Patten, Comptroller Toronto Transportation Commission; Secretary, Eustace Smith, Jr., Assistant to General Manager, Toronto Transportation Commission.

Motor Transportation and Highways in 1931

According to the Report for 1931 of the Transportation and Public Utilities Branch of the Dominion Bureau of Statistics, registrations of motor vehicles in Canada for the first time showed a decrease as compared with the previous year, the total for all classes being 1,206,836, a decrease of 33,052 or 2.7 per cent. The passenger automobile registrations in 1931 were 1,024,137, a decrease of 23,357. The United States, the United Kingdom and France were the only countries with larger registrations. Ontario had 563,824 vehicles, or one for every 6.1 persons; Quebec, 179,572 (16.0); Saskatchewan, 108,563 (8.5); British Columbia, 98,220 (7.1); Alberta, 95,686 (7.6); Manitoba, 75,564 (9.3); Nova Scotia, 43,735 (11.7); New Brunswick, 33,730 (12.1); Prince Edward Island, 7,744 (11.4); and Yukon, 198 (21.4). The total for Canada represented an average of one car to 8.6 persons.

Revenue collected by the Provincial Departments from motor vehicle registrations and gasoline tax also showed a decrease, the first time since 1922, being $42,231,027 in 1931 as compared with $42,821,508 in 1930. Registration fees, mileage tax on buses, etc., yielded $19,684,908, a decrease of $481,375 from 1930. The large decreases in Alberta and Saskatchewan, and the smaller ones in Manitoba and Prince Edward Island more than offset the

increases shown in all the other Provinces. The total gasoline tax collected amounted to $22,546,119 as against $22,655,225 in 1930. The tax was 5 cents a gallon throughout the year in all Provinces except Prince Edward Island where it was increased to 6 cents for the months of June, July and August, and Quebec where it was increased to 6 cents on Dec. 17, 1931.

The gross consumption of gasoline in Canada during 1931 was 554,989,325 gallons as compared with 588,852,891 gallons in 1930. The largest decrease was in Alberta where the consumption by motor vehicles fell off by 32.6 per cent. or 11,975,703 gallons.

By virtue of a reciprocal agreement entered into between the Provincial Governments of Ontario and Quebec early in May, 1932, motor trucks licensed by the Ontario Department of Highways were permitted to operate in the Province of Quebec. Legislation had previously been passed by the Ontario Government granting Quebec truckers the privilege of operating in Ontario without requiring them to take out Ontario licences but restricting that they should not operate in the Province for more than three months.

Deaths resulting from automobile accidents numbered 1,314 in 1931 as compared with 1,290 in 1930, according to the Preliminary Report issued by the Dominion Bureau of Statistics. Quebec had the heaviest rate of deaths with 19.77 per 10,000 registered motor vehicles and New Brunswick came second with a rate of 13.64. From cities, the largest number of deaths reported was that of 143 from Montreal, while Toronto came next with a new high record of 110, an increase of 64 per cent. over 1930.

At the end of 1931 there were 92,992.6 miles of Provincial highway and 285,101.4 miles of local roads in Canada, a total of 378,094. By Provinces the mileage was: Prince Edward Island, 3,650; Nova Scotia, 14,719.2; New Brunswick, 11,825; Quebec, 35,763.2; Southern Ontario, 52,119.5; Northern Ontario, 14,291.6; Manitoba, 5,230.7; Saskatchewan, 155,609.2; Alberta, 62,426; and British Columbia, 22,459.6. By class of road the mileage was as follows: unimproved earth, 132,987.3; improved earth and sand clay, 157,741.2; gravel and crushed stone, 75,081.4; oil-treated gravel, 5,556.5; water-bound macadam, 2,183.5; bituminous macadam, 1,215.4; bituminous concrete, 1,692.3; cement concrete, 1,583.9; and other surfaces, 42.5. Highway mileage constructed and converted from other types during 1931 amounted to 16,264.6 in 1931 as against 20,244.2 in 1930. Capital expenditures for the construction of highways, bridges and ferries totalled $66,250,229 and maintenance expenditures amounted to $22,287,153. The amount outstanding at Dec. 31, 1931, of Provincial highway debentures was $374,462,811.

The Perley Bridge, an inter-provincial bridge across the Ottawa River and so named in tribute to Rt. Hon. Sir George Perley, was officially opened on Oct. 21. Constructed at a cost of approximately half a million dollars, the bridge connected the town of Hawkesbury, in Prescott County, Ontario, with Grenville in Argenteuil County, Quebec.

Speaking at a luncheon of the Transportation Bureau of the Vancouver Board of Trade on Oct. 21, Hon. George Black, Speaker of the House of Commons and Chairman of the Canadian-American Alaskan Highway Commission, stated that under existing conditions the construction of the British Columbia-Yukon-Alaska Highway would be impossible. He estimated that the cost would be approximately $12,000,000 and that its total length from the United States border into Alaska would be more than 2,000 miles. The Highway Commission was to meet again the following year.

Highway Traffic Competition With the Railways. The question of highway traffic competition with the railways in Canada continued to be a much discussed one during 1931-32. In the United States a similar situation was also receiving serious consideration, being the object of an investigation by the Interstate Commerce Commission whose Report, after extended hearings, was made public in the middle of 1932. The Report, which was of interest to Canadian transportation interests, recommended Federal legislation for regulation of motor buses and trucks in interstate commerce as being

necessary and desirable in the public interest, such jurisdiction to be vested in the Commission with authority to delegate specific matters to joint boards composed of members of State regulatory bodies, and that as a prerequisite to operation, there should be required certificates of convenience and necessity, and liability insurance or indemnity bond. The Report declared that rail and water carriers should be encouraged to use buses and trucks wherever such use would improve public service or promote more efficient operation. The Commission's Report also stated that the problem with which it was dealing was essentially an economic one, legislation and regulation being involved only indirectly and that the primary purpose sought was more effectual co-ordination of rail, motor and water transport. The Commission referred to a tentative Report which had been presented by Examiner Leo J. Flynn during its hearings and which pointed out that it was the duty of Governments to see that adequate and efficient transportation service for the public was supplied, and it maintained that the problem of moving the commerce of the country should be approached as one of national transportation and not primarily as one of transportation agencies, and that no carrier by rail, water, motor vehicle or air had a vested right in the transportation of a single passenger or a pound of freight.

With regard to the aspect of the question in Canada, S. W. Fairweather, Director of the Bureau of Economics of the Canadian National Railways, at the Annual Meeting of the Canadian Engineering Institute on Feb. 5, 1932, declared that although the increase in motor vehicle travel had in a few years caused a reduction in railway passenger revenue, the disparity in cost was too great to ever permit of anything like a complete substitution of the motor vehicle for railway service in Canada. He stated that, if the former were to bear the total cost of the highways which had been improved for their use, motor vehicle taxes would have to be increased to an average of $64 per vehicle, and the tax on gasoline increased 15 cents per gallon. Mr. Fairweather estimated that 17 per cent. of passenger travel was by steam railways, 14 per cent. by electric railways, 68 per cent. by private motor car and 1 per cent. by motor bus.

Replying to the assertion of Hon. R. J. Manion, Minister of Railways, in the House of Commons on Apr. 1, 1932, that the motor vehicle competition was unfair to the railways (see *Hansard,* Apr. 1, 1932), W. R. Woollatt, President of the Ontario Association of Motor Coach Operators, stated (*The Globe,* Apr. 3) that, almost without exception, the coach lines in Ontario had created new business or had replaced suburban electric railway services. He declared that, considering highway taxes only, the motor coach paid 8.4 per cent. of its gross revenue, whereas the Canadian National Railways in all taxes paid only 1.88 per cent. and the Canadian Pacific Railway Company but 3.64 per cent.

The Canadian Motorist, official publication of the Canadian Automobile Association, quoted a statement made by Ernest N. Smith, Executive Vice-President of the American Automobile Association, at the Annual Meeting of the Canadian Automobile Association, to the effect that Canada had to proceed with highway construction and improvement if the country were to enjoy, increasingly, tourist traffic revenue and that the completion of the Trans-Canada Highway was a prerequisite to that revenue reaching anything like potentiality.

The Minister of Highways for Ontario, Hon. Leopold Macaulay, speaking before the Ontario Motor Truck Owners' Association on May 30, 1932, declared, "It is fallacious to believe that railways would be helped by wiping out the truck industry. Each form of transportation has its own field, and the great problem is to co-relate the two systems properly. In regard to truck rate regulation, no Province has adopted anything as a guide, nor, so far as is known, have any of the United States of America, so that if and when Ontario undertakes to regulate truck rates, new ground for the whole of North America will be broken. Therefore, action must be taken carefully, so that no harm may be done. It may be necessary to set up a commission. Meanwhile, it should be the effort of all to place truck operation on a scien-

tific basis, with the truck operators maintaining public respect for their industry." (See page 538).

Associations. The Canadian Good Roads Association held its 18th Annual Convention and 12th Annual General Meeting at Lucerne-in-Quebec, Sept. 22-23, 1931. The Report of the Executive Committee, presented at the Meeting, emphasized the fact that a greater amount of tourist business could be secured for Canada if more attention were paid to the beautification of highways, and it urged that the Federal Government should do even more to assist the Provinces in their road-building campaigns. Resolutions were adopted approving the Federal Government's plan for the development of the road system within the National Parks; offering to the Government the co-operation of the Association in its endeavour to solve the national transportation problem; favouring uniformity of road usage and practice, and the adoption of common laws throughout Canada regulating the use of highways; and approving the principle of Federal aid toward the building and maintenance of roads. Hon. J. E. Perrault, Minister of Highways and Mines, Quebec, was elected Honorary President for the year 1931-32; and Hon. A. C. Stewart, Minister of Highways, Saskatchewan, President. The Secretary-Treasurer was George A. McNamee, Montreal, Quebec.

The Annual Inter-Provincial Conference, sponsored by the Canadian Good Roads Association, was held in Ottawa, May 30-31, 1932, and was presided over by S. L. Squire, Chairman of the Executive Committee of the latter. Subjects which came up for discussion included the smuggling and bootlegging of gasoline, the evasion of the Provincial tax and the abuses of the rebate system. It was stated that there was a constantly increasing demand on the part of the public for Winter roads, particularly in Ontario and Quebec, the former Province having maintained traffic throughout the Winter at about 40 or 50 per cent. of the Summer volume. The Conference resolved to continue the advocacy of a Federal grant for an advertising and publicity campaign to attract visitors to Canada. It was announced at the meeting that the 1932 Convention of the Canadian Good Roads Association would be held in Halifax, N.S., on Sept. 12-14.

At the Annual Meeting of the Ontario Good Roads Association held in Toronto, Feb. 24-25, 1932, and attended by about 1,000 delegates, discussions took place on the unadvisability of increasing the gasoline tax; on the beautification of the highways and on the necessity of county road organizations. Hon. F. G. McDiarmid was elected President for the year 1932-33; and S. L. Squire, Toronto, was appointed Secretary-Treasurer.

Organized in 1929 with the object of providing a medium for an exchange of knowledge, ideas and experience dealing with the promotion of tourist traffic, conventions and publicity work and bringing about united action in the matter of legislation and regulations, the Canadian Association of Tourist and Publicity Bureaux held its 2nd Annual Meeting in Toronto, Nov. 24-25, 1931, under the Chairmanship of the President, Hon. A. E. Arsenault. In his Report the President urged the members not to direct their individual efforts to attracting tourists each to his own particular town and Province, but to remember that in advertising Canada as a whole, the results accruing thereby would be reflected in the different sections. The Chairman of the Executive Committee, T. G. Morgan, reported that, owing to the difficult financial position of the country, the Federal Government had been unable to accede to the request of the Association, as urged at the 1930 Annual Meeting, to inaugurate a publicity and advertising campaign on the basis of a million dollars a year for a period of five years. Officers elected for 1931-32 were as follows: President, George I. Warren, Victoria, B.C.; 1st Vice-President, C. C. Hele, Toronto; 2nd Vice-President, Lieut.-Col. G. F. C. Poussette, Winnipeg, Man.; 3rd Vice-President, L. W. Fraser, Halifax, N.S.; and Secretary-Treasurer, George A. McNamee, Montreal.

The 18th Annual General Meeting of the Canadian Automobile Association, attended by delegates representing the Provincial Motor Leagues in Canada, was held in Toronto on Sept. 10, 1931. On behalf of the President

and officers of the Ontario Motor League, Richard A. Stapells, former President of that organization, presented a silver cigarette case, on which was engraved the map of Canada, to Kaye Don, champion motor car racer of Great Britain, 1928 and 1929. Dr. P. E. Doolittle was re-elected President for the twelfth time and W. G. Robertson was again made Secretary and Treasurer.

The Royal Automobile Club of Canada, with headquarters in Montreal, at its Annual Meeting on Jan. 12, 1932, passed the following resolutions: that efforts to obtain Provincial legislation requiring horse-drawn vehicles and bicycles using the public thoroughfares after dark to display a lighted lamp, be continued; that the application of the Board of Directors of the Club for a new Dominion incorporation be confirmed; and that the number of traffic officers on the public highways be increased. The Officers of the previous year were re-elected for 1932 as follows: President, Charles M. Black; Vice-President, J. J. Meagher, K.C.; and Secretary-Treasurer and Manager, George A. McNamee.

The Gibb Report; Harbours, Canals and Shipping During 1931-32

With a view to devising schemes for improving the efficiency and usefulness of the national ports of Canada and promoting economy in their administration, the Dominion Government in February, 1931, engaged Sir Alexander Gibb, outstanding British port authority and engineer of London, to make a survey of the ports and advise on the problem. By the terms of reference of Sir Alexander's Commission he was to report upon the efficiency of existing facilities; upon additional facilities required to take care of increasing traffic for a period of twenty-five to fifty years; and upon the best method of administration, whether through harbour commissions or a department of the Government with a general manager, or otherwise, due regard being had for the fact that the moneys of the taxpayer of the whole country would be used in the development of the ports.

Sir Alexander, after spending some months in Canada surveying the ports and otherwise accumulating information, early in 1932 presented his Report. Among his conclusions were the following: (1) that the Canadian ports were an inherent and vital unit in a national system of transportation; (2) that in the interests of the whole country, it was expedient that they should be directed on national lines and in accordance with a definite co-ordinated policy; (3) that their operation could not properly be measured by the ordinary *criteria* of business and economics and that they must be for some years at least dependent on Federal funds, and so must be subject to a considerable amount of Federal control; (4) that operations in the past had involved a heavy drain on the national Treasury and more definite and effective control of expenditure was necessary; (5) that engineering and capital works should be improved and strengthened; (6) that local administration required strengthening and stabilizing and that disorganization caused by the changing of the executive heads with each change of Government should be eliminated; (7) that a form of executive more suitable to Canadian conditions was to be found in a port manager rather than in a harbour board; (8) that to strengthen the representation of local interests, now almost non-existent, a strong local harbour council should be established for each port; (9) that the growing complexities of the transportation question and the extensive development of the ports had outgrown departmental control and that co-ordination of policy, general control of finance and engineering and the elimination of delay could be more adequately secured by the appointment of a separate board to deal with the national harbours; (10) that one of the duties of such a board would be to examine the question of the national routing of Canadian imports and exports; (11) that the services provided by the ports were, on the whole, adequate for the requirements of traffic, and the costs to users of the ports not unduly high; (12) that the past decade had been a period of heavy expenditure on capital works and that the immediate require-

ment was a period of organization and consolidation to enable full advantage to be taken of this expenditure.

The Report was tabled in Parliament on Apr. 8, during the 1932 Session, but no action was taken upon it at the time.

Canadian Harbours. The affairs of the Harbour of Montreal, which were administered by a Commission composed of J. H. Rainville, President, and John C. Newman and H. J. Trihey, Commissioners, showed, according to the Annual Report for the year, a slight but encouraging improvement during 1931. Trans-Atlantic ship arrivals in 1931 numbered 811, a decrease of 15 from the previous year, and coasting vessels numbered 339, which was 32 fewer than in 1930. Inland vessels numbered 4,000, as compared with 4,255 in 1930. The net registered tonnage of ocean vessels (Trans-Atlantic and coasting combined) which came to the Port in 1931 amounted to 4,069,421. The total tonnage of merchandise — imports, exports and domestic—handled through the Port in 1931 increased by 226,605 tons to 9,914,374 tons. For the third successive year, import tonnage reached a new high figure, *viz.*, 3,568,542 tons, mainly due to larger receipts of bulk cargo commodities, such as petroleum oil, gasoline, woodpulp, corn, raw sugar and phosphates. In spite of increased grain exports, export tonnage at a total of 3,036,835 tons, was slightly less than in 1930, as exports of automobiles and parts showed a decrease of 76,000 tons and exports of flour, a decrease of 74,000 tons. Domestic merchandise reached a new high figure of 3,308,997 tons. Receipts of coal and oil were again on a very large scale in 1931, the combined tonnage of these commodities handled in the Port being 3,824,262 tons, representing more than one-third of the total tonnage of the year. Receipts by water of British and foreign anthracite decreased to 743,475 tons, as compared with 954,311 tons in 1930, due to the fact that no Russian coal was received in 1931, although 200,651 tons of this commodity had been received during the previous year. Classifications of coal receipts during 1931 were as follows: Canadian bituminous, 1,377,745 tons; British anthracite, 692,012 tons; United States bituminous 82,747 tons; German anthracite, 54,642 tons; British bituminous, 36,668 tons; and United States anthracite, 9,349 tons. Oil and gasoline imports in 1931 reached a new high figure for all time and showed an increase of more than 450,000 tons over the previous year. Grain deliveries from the Commissioners' elevators reached a total of 89,512,312 bushels, as compared with 81,669,864 bushels in 1930. Montreal was again the leader amongst North American seaports in shipment of grain.

With regard to railway traffic, the total number of cars, 185,155, handled in 1931 on the Montreal Harbour tracks was the lowest in any year since 1921. The Annual Report stated that the low water levels in the Port during the Autumn of 1931 had caused the diversion from Montreal of a considerable number of cars of export freight. Increases were noted in cars of grain and in cars of cattle for export, but the number of grain cars, 3,088, was nevertheless only about one-sixth of the yearly average from 1920 to 1929.

Virtually, no new projects of capital construction were undertaken during 1931; the continuation or completion of works commenced in 1930 accounting for expenditures under this head. Income on revenue account amounted in 1931 to $4,500,457, an increase of $189,522 over the previous year. Expenditures on revenue account amounted to $4,832,892. There was charged to revenue account the sum of $536,880 for sinking fund reserve and the sum of $15,549 for adjustment of 1930 municipal taxes. Interest on Government debentures amounted to $2,400,757, an increase over the previous year of $126,140. Operation and maintenance in 1931 cost $2,431,076, as compared with $2,393,795 in 1930. Expenditure on capital account amounted to $1,546,370.

During the year 1931 the personnel of the Vancouver Harbour Commission was composed of S. McClay, President, and J. B. Thomson and R. D. Williams, Commissioners. The Report for 1931 stated that the business of the Port, compared with the experiences of other Ports, had been maintained

to an encouraging degree. The total number of vessels entering the Port during 1931 was 18,140, as compared with 21,670 in 1930, and the net registered tonnage amounted to 12,136,388, a decrease of 469,687 tons. Total tonnage of imports declined from 4,354,789 in 1930 to 3,575,614 in 1931, but exports increased from 3,672,050 tons in the previous year to 3,717,091 tons. Grain exported during 1931 amounted to 70,841,445 bushels, approximately 7,500,000 bushels in excess of 1930. Events during the year included the institution of a car ferry service for railway cars between the north and south shore of the Harbour; the completion of the fish dock and market with cold storage facilities and ice plant; the conversion of the vessel *Orion* into a fire boat for protection of the waterfront; and plans for the proposed extension of Lapointe Pier to provide accommodation for four ocean-going vessels.

The Annual Report of the Halifax Harbour Commissioners (E. C. Phinney, President, and J. L. Hetherington and F. P. Merchant) for the year 1931 recorded a year of lowered operation. It referred with appreciation to the agreement between the Canadian Pacific Railway, the Canadian Pacific Steamships and the Canadian National Railways for the use of the Port of Halifax in regular passenger and freight sailings. The number of vessels entering the Harbour during 1931 totalled 3,143, as compared with 3,273 in 1930, and a net tonnage of 4,502,697 was recorded as against 4,971,316 in 1930. The total cargo tonnage passing over piers controlled by the Commissioners in 1931 was 701,997, a decrease of 97,275 tons, agricultural products being the only commodity to show an increase. The total cargo tonnage of the whole Port for the year 1931 was 1,573,580, as against 1,825,000 in 1930.

The Harbour Commissioners of Saint John, composed of H. C. Schofield (President), Frank T. Lewis and Thomas Nagle, administered the affairs of the New Brunswick Port in 1931. During the year, a number of conferences were held by the Commissioners with the traffic officials of the Canadian Pacific and Canadian National Railways, and with grain shippers and shipping companies, with a view to the further development of the business of the Port. On June 22, 1931, a fire broke out in the Harbour, demolishing all buildings, with the exception of the Canadian Pacific Railway concrete elevator and a few offices. Under the supervision of Hugh Beaver, of the staff of Sir Alexander Gibb, reconstruction of certain Berths was completed on Dec. 15, 1931; and other new facilities were well advanced by that date. The Annual Report for 1931 gave the total number of registered vessels entering the Port as 2,309, with a net tonnage of 1,640,422, as compared with 2,636 vessels with a net tonnage of 1,732,650 in 1930. Import and export tonnage amounted to 596,596 and 684,081 tons respectively, during the year 1931, a combined decrease of about 10 per cent. below 1930 figures. Grain exports during the year were nearly 1,000,000 bushels in excess of 1930, the total being 10,355,034 bushels.

The Quebec Harbour Commission (J. S. O'Meara, Chairman, and Pierre Bertrand and Dr. J. LeBlond, Commissioners) in their Annual Report for the year 1931 covered one of the most interesting periods in the history of the Port of Quebec. The year witnessed the completion of works at Wolfe's Cove, undertaken in 1925, and the official opening on June 1 of these facilities, co-incident with the arrival of the *Empress of Britain* on that date on her maiden voyage. The number of ocean and coasting vessels that frequented the Port in 1931 was 795, as against 947 in 1930; the combined tonnage increased from 4,235,185 in 1930 to 5,002,892 in the year under review, while grain shipped declined to 5,618,080 bushels in 1931 from 7,986,898 bushels in the previous year. Import cargoes totalled 708,424 tons, a decrease of 208,624 tons from 1930, and export cargoes, 225,749 tons, a decrease of 88,491 tons.

The Annual Report of the Toronto Harbour Commissioners (J. E. Ganong, Chairman, George W. Porter, B. J. Miller, P. J. Mulqueen and Thomas Rennie) for the year 1931 recorded the completion and opening of the Bascule Bridge across the Ship Channel at the end of Cherry Street; the grading and the making available for immediate occupation of the lands immediately south of the Ship Channel; the filling to grade of the area be-

tween Yonge Street and Parliament Street, south of Queen's Quay; the construction across the Circulating Channel and railway tracks of a trestle to serve the industries on the south side of the Ship Channel. Vessels entering the Port in 1931 numbered 2,507, with a net tonnage of 2,553,549 tons, as compared with 2,143 vessels, totalling 2,100,195 tons, in 1930. The enormous increase in 1931 of coal shipments was the direct result of the improved navigation facilities between Lake Ontario and Lake Erie, *viz.*, the Welland Ship Canal. In this connection, of the total of 560,347 tons of water-borne coal, approximately three-quarters was delivered by 8 self-unloaders which, in all, made 113 trips and carried 408,159 tons. Oil imports totalled 157,115,000 gallons, an increase of 52,480,000 gallons over 1930. The total imports amounted to 1,950,628 tons and exports, 171,438 tons. Total cargo tonnage brought into and shipped from Toronto in 1931 was 2,122,066, as against 1,292,864 in 1930. The Report recorded the death of the Chairman, Thomas Jenkins, on Mar. 22, 1931, whose office had been filled by J. E. Ganong, appointed on Apr. 23. Brig.-Gen. J. G. Langton was General Manager and Secretary.

The New Port of Churchill. There was much speculation in Canada during 1931-32 on the potentialities of Manitoba's new ocean port of Churchill, the terminus of the Hudson Bay Railway, which witnessed its first shipment on Sept. 18, 1931. The Dominion Government arranged with the Canadian Co-operative Wheat Producers, Limited, for the sending of 500,000 bushels of wheat in two cargoes on the ships, *Farnworth* and *Warkworth*, owned by the Dalgleish Steam Shipping Company of Newcastle-on-Tyne, England, both of which had been chartered through Thomas Harling and Son, shipping agents, Montreal. The *Farnworth* arrived at Churchill on Sept. 10, having sailed on Aug. 18 from Newcastle-on-Tyne in ballast; the *Warkworth* followed the next day, having sailed from Montreal on Sept. 1, also in ballast. Wheat began to leave the Dominion Government elevators at Saskatoon, Sask., for Churchill on Aug. 24, routing *via* the Aberdeen-Melfort line and The Pas. The Canadian National Railways had provided additional locomotives to haul the shipment over the Hudson Bay Railway. Unloading at Churchill into the Dominion Government elevator commenced on Sept. 2 and the loading of the *Farnworth* of 277,000 bushels of No. 2 Northern wheat, which was being consigned to Spillers of London, was finished on Sept. 16, having been begun on the previous day. Leaving Churchill on Sept. 18 at 10.30 a.m. the *Farnworth* arrived at the Royal Victoria Dock at London, England, on Oct. 4. Her departure from Churchill had been followed a few days later by the second ship, *Warkworth*, with the remainder of the 500,000 bushels of wheat. Large and representative gatherings at both Churchill and London witnessed the departure and arrival of the first cargo.

In an interview, Captain W. Mouat, in charge of the *Farnworth*, stated that outside of bergs he had seen no ice at all and except for a slight haze in Hudson Bay, visibility was good all the way from Churchill to the Atlantic. Currents presented no difficulties. When in the Bay, with the ship completely out of sight of land, he had depended on wireless directions received from the several stations. The *Farnworth* covered the thousand miles through the Bay and Strait in four days steaming at about ten knots. The trip to London could have been made more quickly but for bad weather from Greenland onward across the Atlantic.

According to a Press dispatch of Oct. 14, the Minister of Railways and Canals stated that the Dominion Government would not have to absorb any excess freight charges for the handling of the two cargoes of grain through Churchill; that they had agreed to handle the test shipment for the Canadian Co-operative Wheat Producers on the basis of the freight rates applying to the Fort William-Montreal route. If the total cost of the shipment through Churchill had been higher than it would have been *via* Fort William and Montreal, the Government would have paid the difference.

With a view to giving the fullest publicity to the facilities available at Churchill a circular letter was issued by the Dominion Government in March,

1932, through the Department of Railways and Canals. The circular described the Port as having a wharf 1,855 ft. long with 30 ft. of water at low tide; a grain elevator of 2,500,000 bushel capacity, with conveyor system along the wharf face for loading ships; a freight shed on the wharf and an area on the latter for about 40,000 tons of coal, and two locomotive cranes able, in co-operation with ship tackle, to handle about 1,000 tons of coal a day; service tracks on the wharf and in the freight shed, as well as yard tracks; and 3 tugs at the Port, one fitted with salvage plant. The circular also drew attention to the fact that there was a diver stationed at Churchill with complete diving apparatus; that fresh water was provided at the wharf; that cattle could be loaded from cars alongside the ships; that four ships could be accommodated at the wharf and three at a mooring ground about a mile distant, where there was 30 ft. of water at low tide; and that there was anchorage for an unlimited number of ships outside the harbour. The tide was described as being from 14 to 16 ft. at spring and 11.5 ft. at neap. As an aid to navigation there was a direction-finding radio station at Churchill, as well as others at Chesterfield Inlet, Nottingham Island, Cape Hopes Advance and Resolution Island; and there were ample lights, and an ice patrol in the straits. The navigation season was gauged as being probably from July 20 to Oct. 20, plus or minus 10 days at each end. Railway freight rates to and from Churchill could be obtained from the Canadian National and Canadian Pacific Railways traffic departments. It was stated also that the general rate in effect in 1931 on grain was such as to be slightly lower per bushel from Churchill to the United Kingdom than by other routes.

Thomas Harling of Montreal in discussing Churchill facilities stated that in his opinion the Hudson Bay route would not be open for more than three months, August, September and October, so that the route should not affect shipments through Montreal very materially; and that the costs *via* Churchill would be about 2 cents lower than *via* the eastern route during the Churchill shipping season. He explained that grain shipped *via* Churchill would probably have to be sold before starting to that port, with the necessary tonnage chartered to carry it overseas, as otherwise it would be a frozen asset at Churchill, dependent on distress rates. The rate obtained by the *Warkworth* and *Farnworth* in 1931 was 3s. 9d. per quarter of 480 lb. The through rate from Fort William to London, *via* Montreal, was adopted as a basis of quotation in 1931, the charter price finally fixed comparing with a rate of 1s. 6d. a quarter then applying on movement out of Montreal.

Rt. Hon. Arthur Meighen, replying to questions by Senator Casgrain in the Senate during the 1932 Session, stated that the total disbursements by the Government in connection with the shipment of the 544,769 bushels of wheat from Port Churchill in 1931, was $2,570; that the two ships which carried the wheat were insured for £75,550, the rate paid having been 2 per cent.; that the Government did not guarantee the marine risk; that the wheat cargoes were insured, and that the rate paid was approximately 2 per cent.

E. B. Ramsay, Chief Commissioner, Board of Grain Commissioners, issued a statement at Vancouver, May 23 (1932), which, in part, was as follows: that the elevator at Churchill would be operated as a semi-public terminal elevator, the Government agreeing to absorb all costs in the handling of all grain by the Port. The Government would also absorb in the terminals at Moose Jaw and Saskatoon the railway stop-over charge of one per cent. per 100 lb. of grain consigned to those elevators. This, coupled with the low storage rate of one-sixtieth of a cent per bushel per day at those terminals, would encourage the accumulation of stock of grain to provide a reservoir for shipments *via* the Hudson Bay. The statement continued: "The responsibility now rests upon the public . . . This is also true in the development of such ports as Prince Rupert, Halifax and Saint John, which may have to compete for their shipments of grain with well-established markets; and without intelligent and practically local interest in such matters the development of these routes become a matter of charge, and their future as grain-shipping ports quite obscure."

With regard to prospective shipments during the 1932 navigation season it was stated by the Minister of Railways and Canals (Hon. R. J. Manion) in May (1932) that a grain company (afterwards announced as the Continental Grain Company of New York with an office in Winnipeg) had undertaken to ship at least 1,600,000 bushels of grain through Churchill, on condition that the Dominion Government would make no charge for elevation and storage of 2,000,000 bushels at the elevator there. An announcement made in June by W. H. Harling of Thomas Harling and Son, was to the effect that the S.S. *Pennyworth* would leave Liverpool on July 27, 1932, bringing general cargo of all kinds westbound direct to Churchill. Mr. Harling had been appointed Traffic Representative of the Hudson Bay Railway, with office in Winnipeg. He was in charge of the supervision, solicitation and development of traffic through the new port. The Harling firm had notified the On-to-the-Bay Association that it would not be possible to carry grain and other commodities eastbound from Churchill at the same rates as from Montreal. They stated, however, that they were quite prepared to make rates from Churchill to result in the total transportation charge from point of origin in the West to destination in Europe being slightly lower *via* Churchill than *via* Montreal. They stated that the Dalgleish firm would accept the same rates on westbound general cargo to Churchill as to Montreal, stipulating that on westbound cargoes at least 1,000 tons from any one port of loading must be forthcoming.

According to a third Report of the Imperial Shipping Committee on Hudson Bay Marine Insurance rates (issued June 21, 1932), a further reduction of 20 per cent. had been effected in the special marine insurance rates on British vessels operating in Hudson Bay and Hudson Straits between Aug. 10 and Sept. 30. In 1931 the additional insurance on ships using the Hudson Bay route was 50 shillings per £100 on the insured value plus two shillings per ton on the gross registered tonnage. In 1932 the rate would be 40 shillings per £100 of the insured value with two shillings impost as before. The reduced rate, however, applied only to vessels equipped with a gyro compass in addition to wireless direction-finding apparatus. The request of the Dominion Government for the allowance of a longer season for navigation, that is, a season long enough to enable ships to make two voyages and thus automatically cut insurance rates in half was—in the light of the specific period, Aug. 10 to Sept. 30, mentioned in the Report—not granted. The Report stated that the underwriters were of the opinion that there was still a speculative element in the route. As a compromise, however, the limit for sailing from Churchill would, according to the Report, be extended to Oct. 7 for a 10 per cent. increase on the 50 shilling rate, and a further extension might be secured for an increase of 25 per cent.

Canada's Canals in 1931. The statistics of Canada's ten Canals are each year collected through agents of the Department of Railways and Canals and compiled by the Dominion Bureau of Statistics. No tolls are charged for the use of the canals and, at Sault Ste Marie, Canadian and United States vessels use the Canadian or United States locks as convenient. A large percentage of the upbound traffic through the St. Lawrence canals uses the Welland Ship Canal and also the Sault Ste Marie, mostly on the United States side, and a large percentage of the downward traffic through the Welland passes down the St. Lawrence canals. Practically all the Ottawa canal traffic uses the Lachine locks of the St. Lawrence canal and is included in the St. Lawrence way traffic, and much of it also uses the locks of the Rideau system at Ottawa. Therefore, there are necessarily duplications in canal statistics. The following are Canada's ten canals: Sault Ste Marie, 1.38 miles; Welland Ship, 27.60 miles; St. Lawrence, 46.94 miles; Chambly, 11.88 miles; St. Peter's, 0.50 miles; Murray, 5.15 miles; Ottawa, 7.00 miles; Rideau, 133.50 miles; Trent, 248.80 miles; St. Andrew's (one lock). The total number of vessels using the canals in 1931 was 27,651, an increase of 1,488 over 1930. Freight carried totalled 17,618,784 tons, an increase of 1,445,163 tons, but passenger traffic dropped by 6,633 to 126,633. Of the total tonnage

passing through Canadian canals 70.63 per cent. originated in Canada and 29.37 per cent. in United States. 93.03 per cent. of the tonnage was carried in Canadian vessels and 6.97 in United States vessels.

The light traffic on the Great Lakes affected the freight rates on grain which were the lowest since the War, averaging for wheat only 6.46 cents per bushel from Fort William-Port Arthur to Montreal, as against 11.64 cents for 1920. The rate to Buffalo showed a greater rate of decline, being only 1.71 cents per bushel, or one-third of the 1930 rate.

Navigation on the upper lakes opened earlier than in 1930, the Sault Ste Marie canal opening eleven days sooner, on Apr. 13. Traffic through the canals at Sault Ste Marie amounted to 44,614,168 tons, a decrease of 28,283,727 tons from 1930, caused largely by decreased shipments of iron ore down-bound and coal shipments up-bound, but traffic using the Canadian lock increased by 528,096 tons.

The Welland Canal opened on Apr. 9, twelve days earlier than in 1930. St. Lawrence canal-size boats up to 261 feet in length and maximum draught of 18 feet were allowed through the New Welland Ship Canal from Nov. 19, 1930. On June 15, 1931, the maximum length permitted was increased to 450 feet, and this was further increased to 550 feet on June 27. With the opening of navigation in 1932 the maximum draught permitted through was to be increased to 20 feet. As the draught through the St. Mary's river, between Lakes Superior and Huron was approximately 18 feet, greater draught was not very important, but when completed the canal would have depths of 30 feet in the locks and would allow draughts of 25 feet in the stretches between locks. The opening of the enlarged canal had quite a marked effect on the traffic even during this first year of its operation. Iron ore for Hamilton had previously been shipped from Lake Superior ports to Point Edward on the lower end of Lake Huron by boat and from Point Edward to Hamilton by rail. Anticipating the opening of the Welland Ship Canal in 1931, docks and other facilities were constructed to handle this ore from boats at Hamilton and, during 1931, 255,814 tons of iron ore were shipped through from Lake Superior ports by boat to Hamilton. Increased shipments of coal were also made through the canal from Lake Erie ports. The total down-bound traffic to Hamilton was 1,342,127 tons, as against 697,109 tons in 1930. The construction of grain elevators at Toronto and at Prescott and additions at Kingston increased the traffic to those ports. The total traffic through the canal during the year in upper lake boats, or in boats with lengths of 261 feet and over, amounted to 1,235,684 tons down-bound and 13,217 tons up-bound, or a total of 1,248,901 tons, or 17 per cent. of the total tonnage passing through.

Grain Down-Bound Through the Welland Ship Canal, 1931

	Wheat Bush.	Oats Bush.	Barley Bush.	Corn Bush.	Total Bush.
Canadian Grain—					
From United States Ports to Canadian Ports—					
In Canadian Boats	9,634,700	195,705	1,516,750	.....	11,247,155
In United States Boats	282,700	.....	31,000	.....	313,700
From Canadian Ports to United States Ports—					
In United States Boats	244,833	.....	324,000	.....	568,833
From United States Ports to United States Ports—					
In United States Boats	328,500	.....	147,125	.....	475,625
United States Grain—					
From United States Ports to Canadian Ports—					
In Canadian Boats	4,187,866	.....	.....	395,000	4,582,866
In United States Boats	275,500	.....	84,000	74,500	434,000
From Canadian Ports to Canadian Ports—					
In Canadian Boats	6,437,866	33,294	53,500	.....	6,524,660
Canadian Grain in United States Boats	856,033	.....	502,125	.....	1,358,158
United States Grain in Canadian Boats	10,625,732	33,294	53,500	395,000	11,107,526

The St. Lawrence canals which opened on Apr. 17, five days later than in 1930, had a total traffic of 6,036,980 tons, a decrease from the 1930 traffic of 142,043 tons. The largest decreases were 457,845 tons of wheat, 299,877 tons of pulpwood, and 101,313 tons of bituminous coal. There was an increase in the tonnage of petroleum and oils, including gasoline, of 190,208 tons; in flour, 71,985 tons; in oats, 118,104 tons; and in barley, 335,644 tons. During the season 10 cargoes from Europe and 26 cargoes from Atlantic ports passed up these canals, including wood pulp from Sweden, coal, china clay and merchandise from England and pebbles from Copenhagen. The Atlantic port cargoes included sugar from Halifax and Saint John for Fort William and Port Arthur; nails from Sydney; gypsum from Cheticamp, Nova Scotia; and paper from Bathurst, New Brunswick. The out-bound traffic included 8 cargoes of flour to Aberdeen and Glasgow from Fort William, Buffalo and Port Colborne; 5 cargoes of flour and mill products to Saint John's, Newfoundland; a cargo of copper ore to France; and 24 cargoes of flour to Maritime Province ports.

Traffic on all other canals showed decreases ranging from 73,439 tons on the St. Andrew's canal, 49,662 tons on the Chambly canal, and 48,014 tons on the Ottawa canal, to 613 tons on the Trent canals.

An announcement was made on July 21, 1931, by the Minister of Railways and Canals to the effect that an Order-in-Council had been passed appointing a new Chignecto Canal Commission, consisting of the following: Professor Stephen Leacock, Montreal; David W. Robb, Amherst, Nova Scotia; and John F. Sowards, Kingston, Ontario. This Commission superseded the Commission appointed in 1930 by the former Dominion (Liberal) Government; it was to take up the work of the previous body: the investigation of conditions which would determine the advisability of proceeding with the construction of the proposed Chignecto canal, connecting the waters of the Straits of Northumberland and the Bay of Fundy by an 18-inch waterway across the Isthmus of Chignecto. It was announced at a later date (Sept. 22) that Arthur Surveyer had been appointed Chairman of the Commission and that he had replaced Professor Leacock, who had found it impossible to act because of his academic and literary engagements. The Commission was to open public hearings in Saint John, N.B., on Oct. 20, and was expected to conclude in November at Campbellton, N.B.

Canadian Shipping in 1931-32. At the Annual General Meeting of the Shipping Federation of Canada (Inc.), held at Montreal on Feb. 10, 1932, the President, J. W. Nicoll, in his address gave a review of the activities of ocean shipping for the year 1931—a year of extreme difficulty for companies engaged in the Canadian trade. He stated that "whilst the existing situation is due, in part, to a surplus in world tonnage it is to the general trade decline throughout the world that we must attribute, mainly, the unfortunate position in which ocean shipping now finds itself. I feel that we may take it for granted, therefore, that until many of the trade barriers now existing between the different countries are removed or adjusted, the flow of ocean traffic will continue restricted. . . . The conclusion of trade agreements with other countries, for the purpose of increasing not only our export business but also with a view to developing a freer movement of imports, appears to be the only sure way out of the prevailing decline in ocean shipping on Canadian routes."

The President declared that although lines engaged in carrying passengers to or from Canada had suffered a further serious reduction in revenue during the year owing to immigration into Canada being practically at a standstill and to the curtailment of other trans-Atlantic travel as a result of existing economic conditions, a generous schedule of sailings of the finest types of modern vessels had been placed at the disposal of the travelling public. Cargo carryings had been again disappointing and package freight had shown an appreciable decline as compared with 1930. This latter, coupled with prevailing low rates of freight, had resulted in unsatisfactory voyage returns throughout almost the entire season. Liner companies had experi-

enced difficulty in securing sufficient cargoes to warrant maintenance of full sailing schedules and had been forced to cancel a number of voyages. Unfortunately, the scarcity of general cargo had not been offset by a correspondingly heavier movement of export grain.

Mr. Nicoll reported considerable progress in the deepening of the St. Lawrence Ship Channel during the 1931 season of navigation, the work being prosecuted by the dredging fleet of the Marine Department and by the dredging of private contractors under agreement with the Government. The President urged that the completion of the 35-feet project in North Traverse Channel below Quebec be expedited with a view to making the North Channel available during the ensuing season for deeper draught ships.

Several other items of importance were emphasized in the President's Report. Attention was called to the urgent need of a special study of water levels in the St. Lawrence Channel in Montreal Harbour and below; it was pointed out that during the latter half of the 1931 season many deeper-draught ocean vessels, owing to the lack of water in the Harbour of Montreal, were unable to load their full complement of cargo at their terminal port, and, in consequence, had to call at other ports, outwards, to load the balance of their cargo or fuel, or both. There had been an absence of any major casualty to ocean-going vessels trading to the St. Lawrence and very few minor ones, owing to the excellent system of the Department of Marine with regard to lights, buoys, signal stations and radio aids to navigation. It was suggested in the Report that an ice patrol vessel in the Belle Isle Strait be permanently maintained by the Canadian Government. The President also reported the petitioning of the Department of Marine during the year for a reduction in pilotage rates in all ports, and the negotiation of new agreements with shore labour unions at Montreal and Saint John for revisions in working conditions.

The total tonnage of vessels entered in the Federation in 1931 was 1,396,037 gross tons, as compared with 1,596,510 gross tons in 1930. The liner tonnage entered showed a decrease of 85,031 tons gross from the previous year, and transient tonnage trading to the St. Lawrence, affected by the lack of bulk cargoes eastbound, declined 115,442 gross tons.

Resolutions passed by the Federation related to the deepening of the St. Lawrence Ship Channel below Montreal, the National Ports Survey made by Sir Alexander Gibb, G.B.E., and the reconstruction of Harbour Terminals at West Saint John, N.B. The officers elected for the ensuing year (1932) were as follows: President, J. W. Nicoll, Manager of Furness Withy and Company, Limited; Vice-President, W. A. Wainwright, Assistant to the Chairman, Canadian Pacific Steamships, Limited; Treasurer, E. W. Foulds, Manager of the New Zealand Shipping Company Limited; Manager and Secretary, A. L. W. MacCallum, Montreal.

Figures published by Lloyd's Register showed that during 1931 there was an increase of 698,997 gross tons in the world's steam and motor tonnage. During the same period sailing tonnage decreased by 175,601 tons, so that the total net increase in the tonnage of the world (vessels over 100 tons) was 523,396 gross tons for steam, motor and sail. In 1914, world's steam and motor tonnage was 45,403,877 gross tons; in 1931 it was 68,722,801 gross tons.

Subsequent to the announcement of sweeping reductions of their trans-Atlantic passenger rates by the United States Lines, similar action was taken —to the extent of a 20 per cent. reduction—on Mar. 30, 1932, by shipping companies operating on the St. Lawrence route, namely: the Canadian Pacific Steamships Limited, Cunard Steamship Company Limited, Anchor Line, Anchor-Donaldson Line, White Star Line, Red Star Line and Norddeutscher Lloyd. A statement issued the following day by the North Atlantic Conference meeting at Brussels announced reductions by the twenty steamship companies forming the Conference, including the Lines above-mentioned. On May 25, after further meetings of the Conference, a slight increase in rates went into effect: a ten per cent. increase in Third Class and a five per cent. increase in Tourist.

One of the most important announcements in connection with shipping during the year was that of the management of the Canadian Pacific Railway Company on Oct. 21, 1931, to the effect that an agreement had been reached between the Canadian Pacific Railway Company and the Canadian National Railways whereby the two systems would co-operate in the "advertising and solicitation of freight, passenger and express traffic for Canadian Pacific ships to and from Canadian Atlantic ports." As the steamship Company would have the advantage of securing business originating on Canadian National Lines, the agreement provided for a compensating advantage to the latter in the rail haul of freight, passenger and express business to and from the Canadian Pacific ships. Canadian Pacific passenger ships sailing from Saint John, N.B., would make Halifax a port of call on both inward and outward voyages during the Winter season, while freight ships on outward voyages would do the same. This agreement, which was signed by the Presidents of the two Companies, E. W. Beatty and Sir Henry Thornton, became effective immediately and was to continue in force for ten years.

The 64th Annual Report of the Department of Marine for Canada (Hon. Alfred Duranleau, Minister) issued in February, 1932, covered Canadian shipping for the year 1930. The report stated that there had been 336 vessels built in Canada and registered with a gross tonnage of 39,923 and net tonnage of 30,423. As to vessels on registry books of the Dominion at Dec. 31, 1930, the following figures were given: (a) sailing, 3,170; gross tonnage, 528,432; net tonnage, 515,015; (b) steam, 5,728; gross tonnage, 1,535,801; net tonnage, 917,049. Vessels removed from the registry books during 1930 numbered 306. The number of men and boys employed on ships, registered in Canada during 1930, was 45,330.

The Canadian Government Merchant Marine Limited, according to the Annual Report for the year ended Dec. 31, 1931, issued in April, 1932, had a fleet of 29 steamers with total deadweight tonnage of 234,595. One vessel, the *Canadian Voyageur*, was sold during the year 1931. Operating revenues for 1931 totalled $3,789,229, a decrease of $1,375,674 from the year 1930 and operating expenses amounted to $4,233,514, a decrease of $1,765,600, leaving an operating deficit of $444,285 as compared with $834,210 of the previous year. Accruals of interest on Government notes and advances and depreciation on vessels amounted to $4,961,129, making the book deficit for the year $5,405,414, as against $5,844,757 in 1930. The principal general officers were: President, Sir Henry W. Thornton, K.B.E.; Secretary, R. P. Ormsby; General Manager, A. H. Allan.

The 3rd Annual Report of the Canadian National (West Indies) Steamships, Limited, for the year ended Dec. 31, 1931, was issued in April, 1932. A fleet of 12 vessels was operated during the year with a total deadweight tonnage of 60,592. Operating revenues for 1931 were $3,648,986, a decrease of $143,708 from 1930; operating expenses amounted to $4,095,554, a decrease of $220,276, and loss from operation was $446,568 as compared with $523,137 for 1930. After providing for depreciation, interest on bonds and on Dominion Government loans and advances, and for bond discount, the total book deficit for the year 1931 was $1,345,361, a slight reduction as compared with 1930. On account of the continuation of unsettled conditions, the revenue resulting from the operation of the fleet was less than anticipated. General officers were the same as for the Canadian Government Merchant Marine.

The position of Vice-President of Canadian National Steamships Limited (held by R. B. Teakle) was abolished, effective Apr. 1, 1932, according to an official statement of Mar. 17. Mr. Teakle was appointed Manager of Steamships and Car Ferries, Canadian National Railways System, including Canadian Atlantic Transit Company and Ontario Car Ferry Company, succeeding Captain C. H. Nicholson who had retired. A further announcement, on Apr. 13, was to the effect that nine Canadian National Steamships were offered for sale by the management of the Company; all, except one, being in excess of 8,000 tons gross. On May 6 the Company stated that it had arranged with lines operating regularly along the West coasts of South America, Central America and Mexico to have cargo shipments between Canada

and the ports of these regions handled for a major portion of the distance by Canadian National ships, instead of moving almost entirely over non-Canadian routes. The first steamer to work under this new arrangement was to be the Canadian *Conqueror,* due at Montreal, May 31, 1932.

The Canadian Pacific Steamships Limited, had a fleet of 54 ocean and coastal steamships in 1931 with a gross tonnage of 467,044, according to the Annual Report of the Canadian Pacific Railway Company for 1931. Three of these vessels, however, were laid up for the entire season while others were withdrawn for temporary periods owing to the reduction in tonnage requirements. The operations of the *Empress of Britain,* the largest vessel in the Company's Atlantic service, showed a profit on voyages, during the regular Atlantic season, of $396,158. It was stated that the operations of the combined Atlantic and Pacific fleets had been satisfactory, considering traffic conditions, the Company having received its full share of the business offering during the year.

In a statement issued on Aug. 11, 1931, J. C. Irons, General Manager of the Canadian Australasian Line, Limited, of Vancouver, announced that the Canadian Pacific Company would assume administration of his Company's passenger ships plying to Vancouver and act as their traffic agent in Canada and the United States.

The Canadian Navigators' Federation, Great Lakes Division, held its 8th Annual Meeting in Toronto, Jan. 11-14, 1932, at which many matters connected with the operation of steamships on the Great Lakes were discussed. Important resolutions passed included those requesting improvements in buoys, lights and fog signals; the establishment of Canadian life saving stations on the Great Lakes; improved lighting at the Port Weller entrance of Welland Ship Canal, and improvements in the locking system for ships through that Canal; revision of the Canada Shipping Act; the establishment of safe load lines for all Canadian ships and the prevention of overloading of ships; establishment of pilotage between Montreal and Kingston; the rigid enforcement of Canadian coasting laws and the extension of unemployment relief measures to include Great Lakes sailors. Officers for 1932 were elected as follows: President, Captain J. W. Alexander, Sault Ste Marie; Vice-President, Captain H. S. Davidson, Toronto; Secretary, Captain W. J. Stitt, Toronto; and Treasurer, Captain Peter McDonald, Toronto.

One of the largest operators of steamship services, both passenger and freight, on the Great Lakes and St. Lawrence River in 1931 was the Canada Steamship Lines, Limited. The 18th Annual Report for the year 1931 presented by W. H. Coverdale, President, showed that the Company's fleet consisted of 103 steamships, of which 85 were freight and 18 passenger vessels. The total freight traffic amounted to 4,267,000 tons, a decrease of 492,500 tons from 1930. Extremely low water levels restricting the steamers seriously affected the Company's earning power. A total of 514,000 passengers were carried, a decrease of 118,000. The total revenue for 1931 amounted to $9,558,809, a decrease of $1,988,253 from the previous year, due in a large measure to a further falling off in grain tonnage and in tourist passenger business. Expenses for the year were $8,091,135 with net earnings of $1,467,673, $697,492 less than 1930. After deducting all charges, bond discount and reserves for depreciation, etc., a deficit was shown of $1,310,462, an increase of $652,670 over the previous year. No dividends were paid during the year. Executive Officers were: W. H. Coverdale, President and Managing Director; A. J. Brown, K.C., Vice-President; T. R. Enderby, General Manager; J. I. Hobson, Treasurer; and R. B. Thomson, Secretary.

Canadian Shipping Through United States Ports. The question of the use of United States ports for the export of Canadian grain continued to be one of importance during 1931-32. *The Globe,* Toronto, on Oct. 24, 1931, published statistics showing that wheat could be shipped from the Head of the Lakes to New York for 7.03 cents per bushel by lake and canal, while it would cost 7.99 cents from the Head of the Lakes to Montreal by lake and river and 10.4 cents to Montreal by lake and rail. "Halifax and

Saint John enjoy the same lake and rail rate from the Head of the Lakes as Montreal, and Saint John enjoys a substantial business in the Winter months, but the Canadian railways are unwilling to haul grain away down to Halifax at a rate which is not profitable when they can get the same rate for a much shorter haul." Continuing, *The Globe* explained that the facilities and service available at competing ports were said to be superior to those of the Maritime Provinces; that grain could be shipped from Buffalo to New York for 5.12 cents per bushel, which was 3 cents per bushel lower than the rate from Georgian Bay ports to Montreal, Quebec, Saint John or Halifax by rail; that there was more cargo space available at New York than at Saint John or Halifax; that Montreal was able to compete with United States ports during the season of navigation on the St. Lawrence, more grain having been shipped through that port three years before than through all the Atlantic ports of the United States combined; that the Canadian Winter ports of Saint John and Halifax, especially the latter, had not the number of passenger or tramp ships calling there to make the Ports attractive to grain shippers, even if they were so situated geographically that they had the advantage of short rail haul. It was pointed out that it was the shippers who paid the freight to the seaboard who had "the say" as to how the grain should be shipped; that neither the Government nor Parliament "would be foolish enough to handicap further Canadian wheat sales abroad by insisting that all grain grown in Canada must be exported through Canadian ports." It was also stated that, on the other hand, large quantities of United States grain were exported *via* the St. Lawrence route; that during the three previous seasons 42,000,000 bushels of United States wheat had been shipped overseas through the Port of Montreal, while in the season of 1921-22, 89,000,000 bushels of United States grain had been shipped through Canadian channels and in 1928, 25 per cent. of all tonnage through the St. Lawrence canals was United States grain.

The question of the export of Canadian grain was projected into Parliamentary debate on Apr. 15, 1932. Hon. H. H. Stevens, Minister of Trade and Commerce, in answer to a question as to the quantity of grain that had been exported in recent years through Halifax and Saint John Ports, stated that in the year 1931-32 a total of 838,371 bushels had passed through Halifax and 3,061,323 bushels through Saint John. Mr. Stevens declared that the question of the export of grain through Atlantic ports was limited to the period after navigation had closed on the St. Lawrence; that the grain trade was conducted through private corporations, who directed its movement to their best advantage; that Canadian ports had all the facilities possible for the handling of grain and that the influence of the Government was used, as far as it was consistent, to ensure the direction of trade through Canadian channels. Col. J. L. Ralston (Lib., Yarmouth-Shelburne) stated that all Saint John and Halifax were seeking was a continuation of the 1 cent differential as between Quebec and the Maritime Ports, which would make the rate 19.34. Col. Thomas Cantley (Con., Pictou) pointed out that a memorial had been sent to the Government signed by Conservative Members and Senators asking the Ministry to grant the request of Halifax and Saint John for lower grain rates. However, he had slight hope, even with lower rates, that much more grain would be shipped through these two Ports than "at present," owing to the very low rates often obtaining for grain between New York and European ports. The big liners, Col. Cantley explained, required deadweight balance, and he had known instances when liners had actually paid a cent a bushel for the privilege of carrying wheat from New York across the Atlantic. Millions of bushels were moved at as low as 2 cents a bushel.

A few weeks after the statement of the Minister of Trade and Commerce in the House as to Canadian shipping through United States ports, *The Border Cities Star,* Windsor, Ont., declared that there were three possible measures by which the Dominion Government could ensure the flow of Canadian grain over Canadian railways and through Canadian ports: (1) the imposition of an export duty on every bushel shipped from other than Can-

adian terminals; (2) a small per bushel bonus on grain exported from Canadian ports; or (3) the reduction of railway rates to Maritime ports.

The condensed preliminary Report on the Trade of Canada through United States Ports in 1931 (issued in 1932 by the Dominion Bureau of Statistics) stated that general propaganda to utilize Canadian sea and river ports had helped to reduce, during the previous few years, Canadian imports from overseas countries and other parts of the British Empire. Other inducements to bring about this reduction were the additional concessions to goods imported under the British preferential tariff when imported direct and provision in trade treaties and agreements that goods must be imported direct in order to obtain the full benefit of special rates of duty. Taking into consideration Canadian grain, which was not recorded as an export at Montreal, or other Canadian ports, because it had been consigned to U.S.A. lake ports and had been recorded as an export at Fort William or Port Arthur, and which had been listed as in transit grain from the U.S.A. *via* Montreal or other Canadian ports, the Report gave information as to export of Canadian grains as follows:—barley, export *via* U.S.A. in 1931, 595,000 bush. or 21 per cent. of total, compared with 62.5 per cent. in 1930, 60.9 per cent. in 1929, 52.8 per cent. in 1928, and 59.1 per cent. in 1927; exports *via* Canadian sea or river ports in 1931, 2,242,000 bush. or 79 per cent. of total, compared with 37.5 per cent. in 1930, 39.1 per cent. in 1929, 47.2 per cent. in 1928, and 49.9 per cent. in 1927. Oats, export *via* U.S.A. in 1931, 31,000 bush. or 1.3 per cent. of total, compared with 1.8 per cent. in 1930, 4.6 per cent. in 1929, 0.7 per cent in 1928, and 8.3 per cent. in 1927; *via* Canadian sea or river ports, 2,410,000 bush. in 1931, or 98.7 per cent. of total, compared with 98.2 per cent. in 1930, 95.4 per cent. in 1929, 99.3 per cent. in 1928, and 91.7 per cent. in 1927. Rye, export *via* U.S.A. in 1931, 689,000 bush. or 51.9 per cent. of total, compared with 3.5 per cent. in 1930, 20.9 per cent. in 1929, 23.5 per cent. in 1928, and 79.1 per cent. in 1927; *via* Canadian sea or river ports, 638,000 bush. in 1931 or 48.1 per cent. of total, compared with 96.5 per cent. in 1930, 79.1 per cent. in 1929, 76.5 per cent. in 1928, and 29 per cent. in 1927. Wheat, export *via* U.S.A. ports in 1931, 73,845,000 bush. or 35.7 per cent. of total, compared with 37 per cent. in 1930, 32 per cent. in 1929, 36.6 per cent. in 1928, and 46.8 per cent. in 1927; *via* Canadian sea or river ports, 133,060,000 bush. in 1931, or 64.3 per cent. of total, compared with 63 per cent. in 1930, 68 per cent. in 1929, 63.4 per cent. in 1928 and 53.2 per cent. in 1927.

Efforts on the part of Canadian steamship companies operating on the Great Lakes to have the Canadian Shipping Act revised, in order to prevent the carriage in United States vessels of Canadian grain from the Head of the Lakes to Buffalo and other United States elevator ports, for subsequent shipment back to Canadian ports, resulted in legislation to that effect being introduced at the 1932 Session of Parliament. The Bill, however, was withdrawn, owing, according to Hon. Alfred Duranleau, Minister of Marine, to the impossibility of reconciling the many and varied representations received in its connection in the short time the Government had at their disposal before Prorogation. The measure was to be introduced at the next Session, when it would be referred to a Select Committee of the House of Commons, and would thus be settled before the next season of inland navigation.

A warning was voiced by the Minister of Railways and Canals (Hon. R. J. Manion) on Apr. 21, before the Transportation Club of Toronto, that traffic "now going down the St. Lawrence to Montreal" might be deflected *via* the United States Ports of Oswego and Albany unless the St. Lawrence Waterway were developed. He pointed out that, despite the opening of the greatest canal in the world, the Welland, upper Lake ports were unable to proceed down the St. Lawrence; that they were utilizing the Ports of Oswego and Albany, the latter an ocean port since the Hudson River had been dredged.

A dispatch from New York, dated Apr. 15, 1932, that a Canadian grain syndicate with resources aggregating $60,000,000 had signed a ten-year lease for a grain elevator to be built at the Port of Albany, and that Canadian

interests were represented by A. R. Roberts, engineer of Toronto, was verified by Mr. Roberts as being substantially correct. He stated that the syndicate, composed, in part, of Canadian individuals closely allied with the transportation and warehousing of grain, had leased for a term of years a large terminal grain elevator at Albany; that the recent improvement of the Hudson River by the United States Government had made Albany an all-year ocean port and the nearest all-year ocean port to Lake Ontario. The Minister of Trade and Commerce, when approached with regard to the dispatch, reported that the Government had no knowledge of such action on the part of any Canadian grain syndicate.

The United States Port of Albany (N.Y.), which had taken seven years to construct at a cost of approximately $21,000,000, was formally dedicated on June 7, 1932. The opening ceremonies were attended by officials of the several Canadian Harbour Commissions and of Canadian transportation and steamship companies. Albany is situated at the eastern end of the Erie and Oswego divisions of the New York State Barge Canal and at the south end of the Champlain division of that Canal system, 143 miles above New York, 363 miles *via* the Barge Canal from Buffalo, and 195 miles *via* the Barge Canal from Oswego. Comparing the Albany Port with the Port of Montreal as to their respective distance from the chief European ports, Montreal is 500 miles nearer than the Port of Albany. According to the Port Commission, a 13,000,000 bushel grain elevator at the Port was nearing completion and a lease of 10,000,000 bushel of space had been arranged with the Cargill Elevator Company of Minneapolis. The elevator loading capacity into ocean ships of the new Port was declared to be 125,000 bushels an hour and the unloading capacity from canal barges, 50,000 bushels an hour. The Port Commission also stated that the Port would be served by six railways with connections to all parts of the United States and Canada, and that four steamship lines were active in the trade between Albany and the Pacific Coast *via* the Panama Canal. The Port area totalled approximately 310 acres and plans provided for about 1½ miles of water-front docks and accompanying facilities. (*Canadian Railway and Marine World*).

Aviation in Canada During 1931-32

In contrast to the expansion in aeronautics of other countries in 1931, Canada showed retarded progress. This was a result of the world economic situation, which had a greater effect upon an airway development not so far advanced as that of Europe and the United States. Such cessation of progress was also due, to a great extent, to the reduced appropriations available for air mails. However, notwithstanding this, there was a notable increase in the use made by the public of the air mail on the lines in operation. Forest Services showed a reduction but the application of aerial photography to mapping and the use of air transport by the Survey Services was on a wider scale than ever before.

During 1931, according to the *Report on Civil Aviation* for that year, 113 aircraft were inspected and registered, 109 applicants were examined and granted commercial air pilots' licences, and 157 applicants were examined and granted air engineers' licences. A total of 113 aircraft and 400 personnel certificates were issued. On Dec. 31, 1931, there were in force the following certificates: private pilots, 292; commercial pilots, 366; air engineers, 346; and aircraft, 495.

The number of accidents in 1931 involving death and injury was 25. 10 pilots, 16 passengers and 1 third party were killed; 3 pilots, 3 passengers and 1 third party seriously injured and 8 pilots, 4 passengers and 1 third party slightly injured. Of the 25 accidents, 3 happened in scheduled air route flying, 7 in club flying, 11 in miscellaneous flying, 1 in a manufacturer's test, and 3 in ground accidents (third party).

The following show the ground facilities provided for airways throughout Canada in 1931: lighted Government airports, 1; partially lighted Govern-

ment airports, 1; lighted public airports, 11; lighted intermediate aerodromes, 30; rotating electric beacons, 41; stationary electric beacons, 1; acetylene range lanterns, 57; and radio beacon stations, 5. Total distance lighted was 1,220.5 miles, of which 226 miles were Eastern Airways and 994.5, Western Airways.

Statistics of civil aviation in Canada, including Ontario Provincial air service and light aeroplane clubs, during 1931, were as follows: 7 firms manufacturing aircraft; 100 firms chiefly operating aircraft; 4 firms using aircraft as auxiliary service; 144,080 aircraft flights made; 73,645 aircraft hours flown; 7,046,276 total aircraft mileage; a total of 75,003 paying passengers carried; 244,208 total personnel carried; 2,372,467 total freight or express carried (lb.); and 470,461 total mail carried (lb.) (contract).

Registered commercial aircraft were engaged in three services: (1) Transport—19 regular air mail services were operated by commercial companies under Post Office contracts; 3,950 single trips were completed out of 4,377 scheduled; 470,461 pounds of mail, or approximately 19,000,000 letters, were carried and 1,412,444 miles flown. (2) Commercial—flying instruction in 13 schools; air photography, timber cruising, forest and fishery patrols, passenger and freight carrying, "taxi" and sight-seeing tours, exhibition flying, etc.; total distance flown by 100 operators, 2,672,446 miles. (3) Mining Exploration and Prospecting—3 mining companies employed aircraft in this connection, their pilots flying a distance of 351,204 miles, as far north as Herschel Island and the Coronation Gulf on the Arctic Coast.

The number of establishments carrying on the manufacture of aircraft in 1931 was 7; capital invested amounted to $2,160,435; cost of materials used, $461,961; and the gross value of products, $1,210,008. Employees on salaries numbered 77 and received $178,798, while those on wages numbered 180 and received $188,747. (These statistics do not include the few aeroplanes manufactured in the Shipbuilding Industry).

It was announced on Oct. 22, 1931, that the Judicial Committee of the Privy Council had allowed the Dominion Government appeal against the decision of the Supreme Court of Canada, handed down on Oct. 7, 1930, with reference to the regulation and control of aeronautics in Canada. The latter declared that the Dominion possessed control of aviation matters of an international nature and such aeronautical activities as the Dominion itself might engage in; and that the various Provinces had jurisdiction to legislate upon and control aviation matters within their own boundaries. The Privy Council's decision was that the Dominion Government had supreme jurisdiction over all aviation matters in Canada.

Aviation Incidents. On Aug. 1, 1931, the Boston-Halifax passenger air service was inaugurated by the Pan-American Airways system, the first flight being accomplished in four and a half hours.

Subsequent to the death of John C. Webster, Canadian pilot, who died on Aug. 10 as the result of an aeroplane accident near the St. Hubert Airport, a perpetual memorial trophy was donated by his father, Dr. J. Clarence Webster of Shediac, N.B., to be won in a yearly national amateur flying competition.

The Trans-Canada Air Pageant, conducted by the Canadian Flying Clubs Association and with the co-operation of the Department of National Defence, performed before every flying club in the country during its ten-weeks' tour in July, August and September, 1931. Satisfaction at the success of the Pageant was expressed at the Annual Meeting of the Association in Winnipeg, Jan. 25-26, 1932, and a resolution was passed suggesting that the Department of National Defence be asked to provide for the Western Zone, without cost to the clubs, Royal Canadian Air Force aircraft for aerobatic displays at air meets of the various clubs. Other resolutions passed recommended that suitable control be exercised to prevent indiscriminate and improperly organized aerial displays being held throughout the country; that roads leading to airports be closed while shows were in progress, in order to assist the clubs

to collect a fair revenue from audiences; that surplus equipment on loan to clubs be transferred from club to club, thus eliminating the necessity for the purchase of new equipment; and that an investigation of the Flying Club plan in Great Britain be made by an official of the Department of Civil Aviation, the results of which should be taken into consideration by the Dominion Government in the formation of its future policy toward the Flying Clubs. The following officers were elected for 1932: President, H. H. Richards; Vice-Presidents, R. J. R. Nelson (Maritime), A. H. Keith Russell (Central), H. P. Crabb (Western); and Treasurer, M. A. Seymour.

The announcement was made by Hon. D. M. Sutherland, Minister of National Defence, on Feb. 24, 1932, that the Trans-Canada trophy for 1931, given annually for meritorious service for the advancement of aviation in Canada had been awarded to George H. R. Phillips, Superintendent of Eastern Flying operations with the Provincial Air Service of Ontario.

On Jan. 20, 1932, it was stated that a Fellowship in the Royal Geographical Society had been awarded to Walter E. Gilbert, Pilot of the Canadian Airways Limited, who had been associated with Major Burwash on the latter's trip in the Autumn of 1930 to King William Land and the North Magnetic Pole.

The Annual Report of Canadian Airways Limited as delivered at the Second Annual Meeting of the shareholders on Apr. 29, 1932, showed that there had been a net loss for the calendar year 1931 of $263,830, after providing for depreciation charges in the amount of $463,821, and without restoring to the profit and loss account unused Insurance Reserve of $72,067. Total productive mileage was reduced from 1,786,608 in 1930 to 1,646,639 in 1931, a loss of 139,969 miles, and total operating revenue from all sources declined from $1,817,544 to $1,412,797, a loss of $404,747. Notwithstanding the fact that revenue earned in carrying the mails decreased 11.9 per cent. in value and 3.3 per cent. in miles, the Company delivered 459,459 lb. of mail in 1931, an increase over the previous year of 125,546 lb. The working capital of the Company at Dec. 31, 1931, was $1,026,707, compared with $881,112 at Dec. 31, 1930. On Oct. 1, 1931, the assets and undertaking of Canadian Transcontinental Airways Limited had been taken over by Canadian Airways Limited, after which date the former ceased to be an operating Company. At Dec. 31, 1931, Canadian Airways had 46 aeroplanes and 71 engines in operation. During the year the Company purchased a new Junkers JU-52, all-metal freight plane with payload capacity of 5,950 pounds for use in the North-western part of the Dominion. This plane, built in Germany and said to be the largest one-engine freighter in North America, arrived at Stevenson Field, Winnipeg, on Dec. 28, 1931.

The Telephone, Telegraph and Radio in 1931-32

The Dominion Bureau of Statistics' bulletin *Telephone Statistics for 1931* pointed out that for the first time on record the number of telephones in use in Canada showed a decrease from the previous year's record. The income, expenditures, including wages, the net income and the number of employees, also, all showed decreases, but the capitalization, investment, the pole line mileage and the wire mileage continued to grow. The total number of telephones in use in 1931 was 1,364,200 as compared with 1,402,861 in 1930. This was an average of 13.15 telephones per 100 population as against 13.78 in 1929, the peak year, and 16.4 in 1930 in the United States which was the only country with a greater density of telephones. Germany, with 3,248,854 telephones, and Great Britain and North Ireland, with 1,996,897 telephones, had a larger number but the averages per 100 population in these countries were only 5.0 and 4.3, respectively, and France, with 1,153,560 telephones and a density of 2.8, was the only other country with over a million telephones. The greatest retrenchments during the year occurred in Saskatchewan where 11,321 telephones were cut off which was a decrease of 12.0 per cent. Alberta and Manitoba also showed decreases of 7,998 telephones, or 10.2 per cent., and 4,858 telephones, or 6.2 per cent. respectively. In

Ontario 9,260 telephones were cut off, but this was only 1.5 per cent. of the number in use in 1930. Prince Edward Island and Nova Scotia showed increases of one per cent., but all the other Provinces recorded decreases. The total investment amounted to $333,055,119, or approximately $32 *per capita*. The investment had more than doubled during the previous ten years and had increased by $105,899,219 since 1926.

The total of all conversations in 1931 amounted to 2,565,641,000 or an average of 1,880 per telephone, long distance calls totalling 33,198,169. Salaries and wages for 1931 amounted to $28,493,252 as compared with $32,085,948 in 1930; the number of employees was 23,825 as compared with 26,575 in 1930; the number of systems was 2,399 in 1931 as against 2,414 in 1930; pole line mileage, 222,196 as compared with 222,113, and wire mileage, 4,985,076 as compared with 4,790,224 in 1930. Business telephones numbered 369,281 in 1931 decreasing from 373,387 in 1930; residence telephones were 723,868 as compared with 740,050; rural telephones 245,485 as compared with 264,681, and public pay telephones 25,566 as compared with 24,743. The miles of wire per telephone were 3.65 in 1931 as against 3.41 in 1930, and miles of wire per mile of pole line were 22.43 as against 21.57 in the previous year.

Comparative statistics for 1931 and 1930 showed decreases in the following items: Income for 1931 was $66,806,580 and $69,420,459 in 1930; expenditures were $60,067,016 in 1931 and $61,886,340 in 1930; and net income amounted to $6,739,564 as against $7,534,119.

Index numbers of domestic telephone charges in 74 Canadian cities, according to the Report on Telephone Rates and Index Numbers computed by the Dominion Bureau of Statistics, showed no change between 1927 and 1931, although there was a marked advance between 1926 and 1927. A Dominion index in 1931 was 7.2 per cent. higher than in 1926, and 28.8 per cent. above the level of 1913. Provincial indexes with the exception of those for Ontario and Quebec, remained unchanged since 1926. The Ontario index over that period advanced 10.1 per cent., and that for Quebec 10.9 per cent. Provincial average monthly rates based upon the typical telephone service supplied to domestic users in the various cities during 1931, were: Prince Edward Island, $2.25; Nova Scotia, $2.43; New Brunswick, $2.75; Quebec, $2.67; Ontario, $2.56; Manitoba, $3.12; Saskatchewan, $2.56; Alberta, $2.81, and British Columbia, $2.17. Index numbers of business telephone charges also had been very stable since 1927. A 1931 index for the Dominion was 18.4 per cent. higher than in 1926, and 46.8 per cent. in advance of the 1913 average level. Since 1926, Provincial indexes had remained stationary, with the same exceptions as noted for domestic telephones. An index in 1931 for Quebec was 30.5 per cent. and one for Ontario 29.0 per cent. higher than in 1926. Average monthly rates for business desk telephones in 1931 were: Prince Edward Island, $3.67; Nova Scotia, $5.81; New Brunswick, $5.39; Quebec, $6.47; Ontario, $6.01; Manitoba, $6.69; Saskatchewan, $3.96; Alberta, $5.63; and British Columbia, $6.75.

In 1931, for the first time in the 51 years of the history of the Bell Telephone Company of Canada, the principal telephone system in Ontario and Quebec, the number of telephones removed was greater than the number installed—204,848 were connected and 214,911 were disconnected. Business telephones increased by 1,258 in 1931; residence telephones, comprising 66.8 per cent. of the telephones, decreased by 11,321. The exchange revenue for the year amounted to $30,258,928 as compared with $30,175,235 in 1930; the increase was partly due to the growth in business telephones and also to the fact that the revenue reflected the growth of 1930 to an extent which more than offset the falling off of 1931. Long Distance revenue in 1931 was $9,849,261 as compared with $10,372,127 in 1930. Gross revenue exceeded all expenses by $5,791,982. In order to meet the regular dividend of $8.00 per share $297,856 was drawn from surplus. Net earnings per share were $7.62. Plant additions and betterments were financed through short term loans at low interest rates in New York. At maturity these were repaid through borrowings from the American Telephone and Telegraph Company, their

advances at the close of the year amounting to $9,075,000. Against a contingent liability for premium on United States funds, $200,000 was appropriated from surplus in 1931. Gross additions to the Company's plant in 1931 amounted to $19,043,000. 93.7 per cent. of the total number of shareholders resided in Canada; and these held 65.4 per cent. of the stock. At the end of the year 1931 in the five cities in which dial equipment had been installed there were 315,588 dial-operated telephones, representing 67 per cent. of the total instruments in service in these cities, and about 41 per cent. of the total company stations. The number of company stations was 774,733, and of connecting and miscellaneous stations, 152,727. In 1931 the Company had 25,250 miles of pole lines; 1,008,634 miles of aerial wire; and 2,233,114 miles of underground and submarine wire. The number of employees totalled 13,136 of which 5,256 were male and 7,880 were female, with a total payroll for the year 1931 of $18,990,974. The average daily exchange connections were 5,250,316 and the average daily long distance connections, 65,624. Fixed capital at Dec. 31, 1931, amounted to $191,891,334. Officers in 1931 were: C. F. Sise, President; J. E. Macpherson, and P. A. McFarlane, Vice-Presidents; E. Palm, Vice-President and Comptroller; W. H. Black, Secretary-Treasurer.

The Maritime Telegraph and Telephone Company Limited, reported for the year 1931 a net gain in telephone stations of 589; 269 of these, however, were taken over by the purchase of the New Ross Telephone Company and the Barrington Townships Telephone Company. The application of the Minimum Wage Act and a destructive sleet storm were contributory factors in a deficit of $69,961. There was a shrinkage of $48,000 in the Long Distance Toll service. Revenue from Exchange Service showed an increase of $22,000.

The Manitoba Telephone System had for the year 1931 a total revenue of $3,580,318 as compared with $3,887,917 for the year 1930. Current expenditures were $1,685,514 in 1931 as against $1,803,362 in 1930. Notwithstanding a loss of 4,726 stations in the Province during 1931, the System showed a profit of $6,426; this compared with $185,303 in the previous year.

The Report of the Department of Telephones of the Province of Saskatchewan for the year ended Apr. 30, 1931, showed a net profit of $112,307, Revenue for the year was $2,826,227, and expenditure, $1,527,170. Government-owned local stations numbered 39,768 in 1931 as compared with 41,959 in 1930 and rural connecting stations totalled 39,303 as against 43,968.

Alberta Government Telephones, according to the Annual Report for the fiscal year ended Mar. 31, 1931, had an operating deficit of $144,170 against which was offset the undistributed surplus of former years of $104,499, leaving a net deficiency of $39,670. Telephone earnings in 1931 were $3,555,992 as compared with $3,792,659 in 1930, and expenses totalled $1,471,534 as against $1,481,663. The number of telephones in use in 1931 was 57,837 as compared with 61,963 in the previous year.

The 40th Annual Report of the British Columbia Telephone Company, submitted at the Annual Meeting held in Vancouver on Mar. 24, 1932, showed a decrease in the number of telephones in use from 117,356 at the end of 1930 to 116,413 at Dec. 31, 1931. Operating revenue was $5,268,113 and expenses were $4,025,473; appropriations totalled $1,245,870, leaving a deficit charged to surplus of $3,231.

The outstanding incident in the telephone world during the period under review was the formal inauguration of the Trans-Canada Telephone System on Jan. 25, 1932, which was opened by His Excellency the Governor-General, speaking from Ottawa. By the construction of the new Trans-Canada line, Canada was provided with 4,263 miles of trunk line for long distance calls, all of which, in future, from Halifax to Vancouver and all intermediate points would be routed over all-Canadian lines. The new System represented an investment of approximately $8,000,000, Saskatchewan's share of the cost being $715,000; this latter amount covered the cost of construction of the 453 miles in length of the line across the southern part of the Province.

22 newly-installed repeaters at strategic points on the route would in future carry long distance messages.

In the same month (the 15th) for the first time in history, Vancouver and Prince Rupert were in direct telephone communication. The new service was a hook-up between the British Columbia Telephone Company and its associate, the North-West Telephone Company.

The Telegraph Companies in 1931. Telegraph and cable systems operating in Canada during 1931 were: Canadian National Telegraphs, Canadian Pacific Railway Company, Dominion Government Telegraph Service, Halifax and Bermudas Cable Company, Canadian Marconi Wireless Company, North American Telegraph Company, Pacific Cable Board, Temiskaming and Northern Ontario Railway Commission, Western Union Telegraph Company. The gross revenues of these systems in Canada amounted to $11,641,799 in 1931 as against $14,264,997 in 1930. Operating expenses were reduced from $11,791,291 in 1930 to $10,720,949. Net corporate income showed a debit of $495,150 as compared with a credit of $1,381,308 the previous year. Pole line mileage increased from 52,824 miles to 53,228 miles during the year and wire mileage, from 367,721 to 368,583 miles. Telegraph offices decreased from 4,661 to 4,474 and employees numbered 6,637, a decrease of 694, to whom $7,875,058 in salaries and wages was paid. Telegrams transmitted, including messages originated at Canadian stations and messages received from the United States lines destined to Canadian stations, amounted to 13,200,198, 2,358,026 fewer than in 1930. Cablegrams sent numbered 990,403, and received, 5,109,310. During the year $7,475,928 was transferred by telegraph, against $10,213,475 in 1930.

The Canadian Marconi Company carried on business during 1931 under difficult conditions owing to the depressed state of trade generally. The volume of business done on the manufacturing side was greater but prices were substantially lower. In the final result the accounts showed a loss of $98,651 for the year ended Dec. 31, 1931. The negotiation with the British Post Office and the Bell Telephone Company for the establishment of a direct trans-Atlantic telephone service was brought to a successful conclusion in 1931 and agreements for a long-term contract were signed, the service having been established in July, 1931.

Radio Affairs in 1931-32. As the decision of the Supreme Court of Canada on June 30, 1931, that exclusive control of radio broadcasting belonged to the Dominion Government and not to the Provincial Legislatures, was not an unanimous one (See *The Canadian Annual Review*, 1930-31, page 436), application for leave to appeal to the Privy Council on behalf of the Province of Quebec was made. The Dominion Government did not oppose the application which was granted on July 24. The appeal, in which the Province of Ontario was associated, came before the Judicial Committee on Dec. 11 and on the 15th judgment was reserved. On Feb. 9, 1932, the Supreme Court's majority decision was upheld in the judgment of the Committee; their Lordships also held that a distinction between transmitting and receiving instruments could not be made. No costs were awarded, the matter being left between the Dominion and the Provinces. In an official statement issued to the Press following the announcement of the decision, Hon. Alfred Duranleau, Minister of Marine declared: "The judgment logically follows a recent decision of the Privy Council that control of aviation rested with the Dominion authorities . . . Now that the question, both as to broadcasting and receiving, has been definitely settled, the Government has a free hand to adopt such legislation that may seem proper for regulating radio operations in Canada. And it is justly pointed out that the judgment is of the utmost importance, not merely because of the actual questions involved, but because it will be the deciding ruling in future developments in the air, such as the wireless transmission of electrical power, etc."

Upon presentation in the House of Commons, during the 1932 Session, of the Report of the Parliamentary Committee on Radio Broadcasting (See

pages 60-2 for Report and implementing legislation) the Prime Minister (Mr. Bennett) read Notes which had been exchanged between Hon. W. D. Herridge, Canadian Minister to Washington, and W. R. Castle, Jr., United States Acting Secretary of State. Mr. Herridge's letter to Mr. Castle, which was dated May 5, after explaining Canada's proposed plan of a national radio broadcasting system, pointed out that in order to ensure satisfactory local broadcast service throughout Canada it was proposed that stations, limited to a maximum power of 100 watts, should be erected where necessary, and that they should be operated on shared channels. The Canadian Minister pointed out that 100 or more such stations might eventually be required in Canada and that 20 channels should be available for this type of service; and that in establishing such stations it was proposed to maintain the same geographical separation between Canadian and United States stations as was maintained between United States stations of the same power. He stated that due notification would be given of the effective dates of any changes "in the present operation to conform with the above plan." Mr. Herridge further explained that in the event of the adoption of the proposed arrangement it was understood that if, as a result of the forthcoming Madrid International Conference, any additional channels were made available for broadcasting, a further allocation would be made, as between the United States and Canada, on an equitable basis. Concluding, he asked whether the United States authorities could make the necessary readjustments so that "these channels will be available for effective use in Canada."

Mr. Castle's Note on the same date (May 5) stated that as notice "is given from time to time of the dates of changes to be made in the present operations of Canadian broadcasting stations to conform to the plan set out, this Government will be glad to make the necessary readjustments."

A few days later, on May 9, the Chief Engineer of the Federal Radio Commission at Washington (Charles B. Joliffe), explained to the Canadian Press the readjustments which would be necessary as a result of the agreement: "Channel 1,050 is at present used in Los Angeles and will be available for use in Nova Scotia, the United States taking the interference; Channel 1,100 is used by Atlantic City and will be available for Vancouver; the Government broadcasting station at Arlington on Channel 690 will be discontinued and made available to the Dominion." These three channels were clear and had been considered the property of the United States under the so-called gentleman's agreement with Canada dividing the broadcasting band on the Continent. Of the 96 channels, Canada had, under the old agreement, five cleared channels without limitation of power, one shared channel limited to 4,000 watts, and 11 other shared channels. (*The Mail and Empire*, Canadian Press dispatch, May 10, 1932).

Transmitting licences issued by the Radio Branch, Department of Marine, Ottawa, (Director: C. P. Edwards, O.B.E., F.I.R.E., A.M.E.I.C.) totalled 1,535 during the year ended Mar. 31, 1932. These were classified as follows: ships, 291; aircraft, 1; private commercial broadcasting, 77; amateur broadcasting, 8; limited coast, 4; public commercial, 32; private commercial, 112; experimental, 107; training school, 5; amateur experimental, 898. The number of private radio receiving licences issued was 598,358, of which 285,048 were in Ontario; 127,804 in Quebec; 55,534 in British Columbia; 35,262 in Manitoba; 31,487 in Saskatchewan; 27,481 in Alberta; 21,109 in Nova Scotia; 13,256 in New Brunswick; 1,189 in Prince Edward Island; and 188 in the North-West Territories.

Canadian Universities, under the auspices of the National Council of Education, initiated a coast-to-coast weekly broadcast in October, 1931. The series lasted until March, 1932, and included outstanding speakers whose addresses covered many practical subjects. E. W. Beatty, K.C., President of the Canadian Pacific Railway, Chancellor of McGill University and Honorary Vice-President of the National Council of Education, was Chairman of the Committee under which the broadcasts were carried out.

Upon petition for an inquiry into the question of authority in respect of "broadcasting" musical works made to the Dominion Government by several

publishers of newspapers and other publications in the Province of Alberta, Hon. A. F. Ewing of the Supreme Court of Alberta, was appointed Commissioner, Jan. 29, 1932, to investigate the question of control by the Canadian Performing Right Society of Toronto, of the performing rights through broadcasting of musical works, the fees charged to broadcasting stations and similar matters.

Order-in-Council P.C. 475 provided for an increase in the Private Receiving Licences fees from $1.00 to $2.00 to become effective Apr. 1, 1932.

The radio broadcasting subsidy to the Province of Manitoba which had been given annually by the Dominion Government since 1923 was discontinued on Apr. 1, 1932, by Order-in-Council P.C. 506. The Provincial Government had been receiving 50 cents from the Dominion in respect of each radio licence sold in the Province since 1923; this had amounted to a total of $84,035 during the period.

Transportation Incidents. A judgment was handed down by the Supreme Court of Canada on Mar. 15, 1932, upholding the appeal of the Crown, as represented by the Dominion Minister of Railways and Canals, from a ruling of the Exchequer Court in a dispute over a proposed sale of the property housing the Canadian National Railways offices at the corner of King and Yonge Streets, Toronto. The Dominion Building Corporation and James L. Forgie had sought damages for the failure of the Dominion Government to carry out an alleged agreement made in 1925 to sell the property to Mr. Forgie for the sum of $1,250,000. The decision of the Exchequer Court found a breach of contract by the Crown, whereby the plaintiffs should be awarded damages, but assessed none. The Supreme Court, which had previously reserved judgment on Nov. 12, 1931, upheld the contention of the Crown that no contract had been concluded between the two parties.

The Paterson Steamship Company was declared liable for damages amounting to $76,911 to be paid to the Canadian Co-operative Wheat Producers, Limited, in a judgment handed down by Mr. Justice Philippe Demers in the Superior Court of Montreal on May 31, 1932. This case arose from the damaging of a grain cargo caused by faulty navigation consequent upon improper loading on the part of the defendant. The judgment was significant in that it meant that some device would have to be adopted, in order to escape liability, by grain shippers and carriers on the Lakes, who, as a rule, did not follow the customary practice of using shifting boards to keep the grain cargo in place.

CHURCHES IN CANADA

The Catholic Church

Encyclicals and other messages issued by His Holiness Pope Pius XI to Catholics throughout the world during the twelve months ended June 30, 1932, indicated the supreme effort made by the Church to assist in the readjustment of world affairs. In the epistle, *Nova Inpendent,* dated Oct. 2, 1931, His Holiness earnestly appealed for a "crusade of charity and relief" to combat the evils, particularly that of unemployment, attendant on the world economic crisis. A brief reference to the disarmament question was included; this renewed the admonitions of his predecessors in office, hitherto unheeded, that "the unbridled race for armaments is, on the one hand, the effect of the rivalry among nations, and on the other, the cause of the withdrawing of enormous sums from the public wealth and hence not the smallest of contributors to the current extraordinary crisis."

In commemoration of the fifteen hundredth anniversary of the Council of Ephesus (431 A.D.) which condemned the doctrines of Nestorius, Patriarch of Constantinople, the Pope issued the Encyclical, *Lux Veritatis,* dated Dec. 25, 1931. This document, exhorting all non-Catholic Christian churches to unite under the Apostolic See of Rome, expressed the hope that the separated brethren would be "led by history as the teacher of life, and affected by the desire, at least, of one fold and one Shepherd, and of embracing the true faith which is ever kept sound and entire in the Roman Church." His Holiness then proceeded to treat very fully the three dogmas of the Catholic religion established at the Council of Ephesus, namely, "that the person of Jesus Christ is one and divine; that the Blessed Virgin Mary should be acknowledged and venerated by everyone as really and truly the Mother of God; and that when matters of faith or morals are concerned the Roman Pontiff has from on high an authority which is supreme, above all others and subject to none."

Evidence of steadily increasing economic distress throughout the world, coupled with the "peril of terrorism and anarchy" resulting from the advantage taken of such conditions for the spread of propaganda by subversive elements, was the occasion of another Encyclical dated May 3, 1932, and issued by His Holiness on May 18. He affirmed that the root trouble of the whole situation lay in "the lust of earthly goods" from which "arises narrow individualism which orders and subordinates everything to its own advantage . . . cruelly trampling under foot all rights of others . . . " (and continued):

> Hence the disorder and inequality from which arises the accumulation of the wealth of nations in the hands of a small group of individuals who manipulate the market of the world at their own caprice, to the immense harm of the masses . . . Right order of Christian charity does not dis-

approve of lawful love of country and a sentiment of justifiable nationalism; on the contrary it controls, sanctifies and enlivens them. If, however, egoism, abusing this love of country and exaggerating this sentiment of nationalism, insinuates itself into the relations between people and people, there is no excess that will not seem justified . . . Profiting by so much economic distress and so much moral disorder, the enemies of all social order, be they called Communists, or any other name, boldly set about breaking through every restraint . . . They engage openly and in secret in a relentless struggle programme of wresting from the hearts of all, even of children, all religious sentiment . . . we see to-day what was never before seen in history, the satanical banners of war against God and against religion brazenly unfurled to the winds in the midst of all peoples and in all parts of the earth . . . The leaders of this campaign of atheism, turning to account the present economic crisis, inquire with diabolic reasoning into the cause of this universal misery.

His Holiness urged men to have recourse to prayer as a means of overcoming "the insatiable greed for earthly goods." "The contemplation of the marvelous order established by God . . . knows not the frenzy of success and does not lose itself in futile competitions of ever increasing speed; and thus automatically, as it were, will be re-established that equilibrium between work and rest, whose entire absence from society to-day is responsible for grave dangers to life physical, economic and moral." Following upon the publication of the Encyclical the Catholic Church instituted a world-wide octave of prayer and penance, June 3-10, to avert the evils threatening mankind.

Commenting on the Pope's message, *The Times*, London, in an editorial stated: "The Pope's words will help the leaders of the nations to remember that in these days more than ever before, while they are representatives of their own people and accountable for their actions to them, they are also members of a greater community and have their responsibility to mankind."

The 31st International Eucharistic Congress of the Catholic Church held in Dublin, Ireland, June 22-26, 1932, and presided over by His Eminence, Lorenzo, Cardinal Lauri, Papal Legate, numbered approximately 1,800 Canadian Catholics among its total attendance of pilgrims from all over the world, which was estimated at over 500,000. The Canadian group was headed by Most Rev. William Forbes, Archbishop of Ottawa; Most Rev. W. M. Duke, Archbishop of Vancouver, and Most Rev. Thomas O'Donnell, Archbishop of Halifax. Outstanding in the Congress proceedings were two mass meetings—one of men in Phœnix Park on the 23rd and another of women on the following day. The celebration in Phœnix Park of Pontifical High Mass on the last day of the Congress, when it was said that the throng of pilgrims in attendance increased to nearly three-quarters of a million, was another inspiring sight; the ceremony was concluded with the Apostolic Benediction bestowed by His Holiness, the Pope, broadcast from Rome. Other proceedings included sectional meetings of representatives of the various nations; the Canadian meeting was held under the chairmanship of Rt. Rev. J. T. McNally, Bishop of Hamilton, Ont., and was addressed by Rev.

Michael Cline of Toronto on the subject of "The Blessed Eucharist, the Lighthouse of Ireland."

Other Activities and Events. The Annual Meeting of the Catholic Truth Society, presided over by His Grace, Most Rev. Neil McNeil, Archbishop of Toronto, and attended by about 800 members, was held in Toronto on Oct. 25, 1931. The principal address was delivered by Mr. Henri Bourassa, M.P., who urged that the daily life of a Catholic—in political, economic and social matters—should reflect the teachings of the Church. "America" he predicted "will recover from the present economic situation in direct proportion to the degree in which she submits to spiritual sacrifice, not submitting through sheer necessity, but because it is the will of God. It is not sufficient to clothe and feed the destitute; we must strike at the root of the evil." Rev. Joseph Fallon was elected President for the ensuing year and M. S. Kielty, Executive Secretary.

Catholic missionary endeavour was recognized by His Holiness when he conferred, in 1932, upon Rev. John M. Fraser for his work among the Chinese and his founding of the China Mission Seminary, Scarborough Bluffs, Ont., membership in the highest College of Prelates in the Roman Curia, with the title of "Pronotary Apostolic ad Instar Participantium." Four priests from the Seminary at Scarborough Bluffs, left in the early Autumn for China, sailing from Vancouver on Oct. 10, 1931, on the *Empress of Japan*. They were destined for the recently erected Prefecture Apostolic of Chuchow. Later in April 1932, it was announced from Rome that Rev. W. O. McGrath (Vice-Rector of the Ontario Seminary), one of the four priests, had been appointed the first Prefect-Apostolic of Chuchow, being invested thereby with the same rights and faculties, with the exception of those dependent upon episcopal consecration, as a residential Bishop.

Several high appointments in the Church were made during the period under review. Monsignor J. M. Rodrigue Villeneuve, D.D., formerly Bishop of Gravelbourg, Sask., whose appointment as Archbishop of Quebec was announced from the Vatican City on Dec. 16, 1931, was solemnly enthroned as head of that Archdiocese, the oldest Catholic See in North America, on Feb. 24, 1932. His predecessor in office had been Cardinal Raymond Marie Rouleau whose death occurred on May 31, 1931, as a result of injuries sustained in a motor accident.

Most Rev. William Mark Duke, Titular Archbishop of Fasix and Coadjutor to Most Rev. Timothy Casey, D.D., Archbishop of Vancouver and Metropolitan of British Columbia since 1912, was, upon the latter's widely regretted death on Oct. 5, 1931, appointed his successor.

Rt. Rev. Thomas Kidd, D.D., LL.D., Bishop of Calgary since 1925, was appointed Bishop of London, Ont., on July 7, 1931, to succeed Rt. Rev. Michael F. Fallon, D.D., whose death occurred on Feb. 22, 1931. The ceremony of installation took place at St. Peter's Cathedral, London, on Sept. 23, with His Eminence Most Rev. Andrea Cassulo, D.D., Apostolic Delegate, officiating. Bishop Kidd's successor to the See of Calgary was announced on June 21, 1932, in the appointment of Rev. Peter Joseph Monahan, of Sault Ste. Marie, Ont., who had been stationed at Fort William for seven years.

Appointed Vicar Apostolic of Hudson Bay, with the powers of a Bishop, in December, 1931, Monsignor Arsène Turquetil, for thirty years a zealous missionary among the Eskimos in the Northern regions of Canada, was formally consecrated a Bishop at St. James's Cathedral, Montreal, on Feb. 23, 1932.

The consecration of Rt. Rev. Pierre Falaize, O.M.I., missionary for many years among the Indians and Eskimos, as Coadjutor Bishop in the Vicariate Apostolic of Mackenzie, took place on Sept. 13, 1931.

The United Church of Canada

In addition to its usual evangelistic, missionary and educational work, the United Church of Canada, during the Autumn of 1931 and the following Winter, participated in extensive relief services to the devastated regions of the Prairie Provinces, particularly Southern Saskatchewan. In August, 1931, a National Emergency Relief Committee was organized by the Church, which, by communication with pastors in the sections of Canada where better conditions prevailed, arranged for the collection and distribution of 200 tons of clothing and 159 cars containing 5,500,000 pounds of fruit and vegetables for the specified areas of need. As each car served, on the average, 280 families, it was estimated that 160,000 people were benefited. Christmas gifts were also provided for 5,000 children. This work was made possible through the co-operation of the Canadian National Railways and the Canadian Pacific Railway in transporting the cars of produce free from all parts of Canada to their destinations. The 159 carloads of provisions, dispatched during the six months ended Feb. 29, 1932, were distributed as follows: from Ontario to Saskatchewan, 86, and to Alberta and Manitoba, 1 each; from Northern Alberta to Southern Alberta, 28, and to Southern Saskatchewan, 2; from Northern Saskatchewan to Southern Saskatchewan, 7; from Manitoba to Southern Manitoba, 5, and to Saskatchewan, 10; from British Columbia to Saskatchewan, 13; from Prince Edward Island to Saskatchewan, 5; and from Nova Scotia to Saskatchewan, 1.

When relief work was at its height, the Moderator of General Council, Rt. Rev. E. H. Oliver, D.D., PH.D., of Saskatoon, issued a "Challenge Extraordinary" to the United Church to provide for its missions, colleges and benevolent enterprises. The Moderator backed up this challenge by making a tour in the interests of the Missionary and Maintenance Fund. He was greeted with immense crowds everywhere and his tour culminated in a missionary convention in Toronto, Oct. 5, when the Prime Minister of Canada, Rt. Hon. R. B. Bennett, joined him in an appeal to the members of the United Church and to the Canadian people in general to make unusual sacrifices in behalf of national ideals and Christian objectives.

Among the most touching offerings received from any source in behalf of the Church's work were gifts from the Christian churches in Africa, India and Honan (China).

The end of the statistical year brought to light gratifying results of missionary and evangelistic labours throughout the United Church. It was shown that during the year 1931 the Church had received 25,560 members on profession of faith. Excluding all totals for Newfoundland and Bermuda there were in 1931, 657,219 persons on communicant rolls and 1,533,125 under pastoral oversight. The enrolment in Sunday Schools of the United Church was 627,782 persons.

The seventh statistical year since Union, completed at the end of 1931, afforded opportunity to study progress in several important

matters. Eleven Conferences and 115 Presbyteries reported a net increase in communicants of 70,827 since 1925, an average of more than 10,000 having been maintained without marked variation throughout the period. Accessions to membership for the same period numbered 384,928 persons, but more significant was the reception of 179,086 persons on profession of faith, an average of 25,583 persons annually for seven years. At the same time removals from membership rolls had steadily decreased.

Biennial reports of the administrative boards prepared for submission to the General Council to be held in Hamilton, Ont., on Sept. 28, 1932, summarized the general work of the Church. While reducing its fields from 1,509 to 1,325 in two years, the Home Mission Board had maintained 1,510 workers who were engaged in the pastoral oversight, instruction or medical care of a varied constituency in all parts of the country. The Board of Publications had issued 480,000 copies of the new Hymnary, had completed the three-year cycle of graded lessons for Canadian Sunday Schools and had voted $70,000 from profits to the Pension Funds. "Open doors" and friendly relations with people, officials and churches—this was the substance of the Report made for 507 missionaries in eight foreign missions, three in China, and one each in Korea, Japan, India, Trinidad and Angola (West Central Africa). The Board of Education, reporting that before long the United Church would be appealing for more men to fill the pulpits, stated that in their opinion the eight existing colleges were suitably located for the purpose of providing the necessary training. An increase of 225 Sunday schools and an enlarged enrolment of 19,807 pupils and teachers, together with a steady growth of young peoples' work, was reported by the Board of Religious Education. Increases in the number of ministers and dependants receiving annuities had added to the responsibilities of the Board of the Pension Fund. The Board of Evangelism and Social Service declared in their report that "the past year witnessed a marked emphasis on the spiritual message of the Church in special relation to the world crisis." This Board's eight Redemptive Homes had, during the year, restored 42 young girls to their parents, sent 58 young women to safe positions and given instruction to 183 inmates, of whom 105 had made profession of Christian faith.

The total given to the Church for all purposes since Union amounted to $109,731,000, plus $1,600,000 in bequests. The total contributed to the Missionary and Maintenance Fund in the 6¾ years was $19,535,362; to the Woman's Missionary Society, $5,849,-118; and to benevolences apart from these funds, $2,038,535, or a total of $27,422,000. Because the capacity to contribute had been greatly lessened in 1931, the totals given to all objects declined; $2,405,326 was raised for the general work of the Boards of Missions, Evangelism, etc., and $14,302,154 for all purposes. As $16,000,000 had been added to the value of congregational property since 1925, it was evident that there had been a great building era. Indebted-

ness on property of congregations had increased only $1,790,000 in the same period.

At their Annual Meetings in May and June, 1932, the eleven annual Conferences elected the following officers:

Newfoundland	President,	
	Secretary,	Rev. Ira F. Curtis, St. John's N'f'l'd.
Maritime	President,	Rev. W. Gladstone Watson, M.A., D.D., Halifax, N.S.
	Secretary,	Rev. H. T. S. Gornall, B.A., Saint John, N.B.
Montreal and Ottawa	President,	Rev. W. S. Lennon, B.A., D.D., Sherbrooke, Que.
	Secretary,	Rev. William Munroe, D.D., Montreal, Que.
Bay of Quinte	President,	Rev. T. E. Holling, B.A., D.D., Lindsay, Ont.
	Secretary,	Rev. G. C. R. McQuade, Oshawa, Ont.
Toronto	President,	Rev. J. C. Cochrane, North Bay, Ont.
	Secretary,	Rev. George W. Barker, Toronto, Ont.
Hamilton	President,	Rev. S. Burnside Russell, Hamilton, Ont.
	Secretary,	Rev. Henry Cotton, Stoney Creek, Ont.
London	President,	Rev. J. Bruce Hunter, B.A., B.D., London, Ont.
	Secretary,	Rev. Harry T. Royle, Belton, Ont.
Manitoba	President,	Rev. John MacKay, D.D., Winnipeg, Man.
	Secretary,	Rev. D. H. Telfer, M.A., B.D., Dauphin, Man.
Saskatchewan	President,	Rev. Archibald Young, M.A., D.D., Prince Albert, Sask.
	Secretary,	Rev. A. W. Ingram, Rocanville, Sask.
Alberta	President,	Rev. E. T. Scragg, Medicine Hat, Alta.
	Secretary,	Rev. G. G. Pybus, B.A., Daysland, Alta.
British Columbia	President,	Rev. George O. Fallis, B.D., C.B.E., Vancouver, B.C.
	Secretary,	Rev. A. D. Archibald, B.A., Eburne, B.C.

The Church of England in Canada

The settlement of many problems affecting the welfare of the Church of England in Canada was accomplished by the 12th Triennial Assembly of the General Synod of that body, which, after a year's postponement owing to the holding of the Lambeth Conference in London, England, July-August, 1930, took place in Toronto, Sept. 15-25, 1931. The question of electing a new Primate of all Canada (Most Rev. C. L. Worrell, D.D., D.C.L., Archbishop of Nova Scotia and Metropolitan of Eastern Canada, had been Acting Primate since the resignation of Most Rev. S. P. Matheson, D.D., LL.D., D.C.L., Archbishop of Rupert's Land, in September, 1930), was the most important item on the *agenda*. Before this step could be taken, however, it was necessary to consider the Report of the Anglican National Commission appointed by the General Synod of 1927 to make a complete survey of the work and organization of the Church, with a view to adopting or rejecting its recommendations, chief among which were proposals relating to the method of electing the Primate. After considerable discussion a canon, based upon these proposals, was adopted by both Upper and Lower Houses. Briefly, it provided that all Bishops of the Church of England in Canada should be eligible for the office of Primate, and that the Bishop so elected, if not already an Archbishop, should have the title and dignity of Archbishop of the See of which he was bishop as well as that of "Primate of all Canada;" that, subsequent to the establishment of a fixed Primatial See, all bishops and priests of the Church of England in Canada and elsewhere should be eligible for the office of Primate, the bishop or

priest so elected to be styled "Primate of all Canada and Archbishop of the Primatial See" (the title of the See to be thereinafter provided); that the Primate should be elected by the General Synod acting through an Electoral College (consisting of the Bishops of the Upper House and other members of the Executive Council of the Synod), the right of nomination to be in the House of Bishops; and that the Primate might hold office until he attained the age of 70 years, his resignation to become effective only upon its acceptance by a majority of the Bishops in the Upper House. This Canon was "to come into effect if and when the Basis of Constitution is so changed as to give it effect." The change in the Basis of Constitution was later also passed by the Lower House but only by a two-thirds majority, and not by the unanimous vote necessary, and it, therefore, had to await ratification by the next General Synod.

The result of the election of the Primate, which was consequently once again in the hands of the Bishops, was the bestowal of that title upon His Grace, Most Rev. Clare Lamb Worrell, D.D., D.C.L., Archbishop of Nova Scotia and Senior Metropolitan of the Dominion. The formal installation of the new Primate took place in St. Paul's Church, Toronto, on Sept. 24, the day before the close of the session.

Two other suggestions of the Anglican National Commission which were considered by the Synod, were: that, as a measure of economy, the ten theological colleges should be amalgamated, reducing the number to five, if possible, and that the name of the Church should be changed to the Anglican Church of Canada. The latter met with vigorous protest and almost unanimous dissent, while the former was modified in a resolution which declared that no new colleges should be started and which recommended consultation and co-operation wherever possible.

The problem of Church union also received much attention in Synod discussions. It was unanimously decided that a Committee should be appointed to study the whole question of Reunion and that informal conversations and conferences between members of their Communion and those of others should be encouraged with a view to increasing the spirit of mutual understanding and sympathy necessary to progress toward reunion. Another resolution, which had some bearing on the above question, and which was endorsed only after much debate, was one recommending co-operation with other Christian Communions in ministering to the populations of isolated communities, safeguarding the principle, however, that the Sacraments must be administered to their people by a priest of the Church, and also stressing that it should not commit the Church to division of territory with other religious bodies.

A new pension scheme for the clergy was approved by the Synod, but it could not become fully operative until over $3,000,000 had been raised to cover accrued liabilities.

Other Activities and Events. Changes made in the hierarchy of the Church of England in Canada during the year 1931-32 were more numer-

ous than they had been for some years, and, including as they did the election of a new Primate, aroused even more than usual interest from both clergy and lay members of the Church. Most Rev. Isaac O. Stringer, D.D., elected Archbishop of Rupert's Land in April, 1931, was solemnly enthroned at a ceremony held in St. John's Cathedral, Winnipeg, on Sept. 1, the officiant being the Most Rev. S. P. Matheson, D.D., LL.D., who had retired from that post the previous January.

On Oct. 7, 1931, occurred the widely-regretted death of Most Rev. David Williams, D.D., D.C.L., Archbishop of Huron and Metropolitan of Ontario since 1926. Rt. Rev. James Fielding Sweeny, D.D., D.C.L., for twenty-three years Bishop of Toronto, was elected, on Mar. 9, 1932, Archbishop and Metropolitan of Ontario to succeed Archbishop Williams. Two months later, however, owing to ill-health, he announced his intention of resigning both offices; the resignation was not to take effect until the end of October.

The vacancy left in the See of Huron by the death of Archbishop Williams was filled on Nov. 17, 1931, by the appointment of Rt. Rev. Charles Allen Seager, D.D., LL.D., Bishop of Ontario since 1926. The new Bishop of Huron assumed his duties, Jan. 1, 1932, and the formal ceremony of installation was held in London, Ont., on Jan. 25. Ven. Archdeacon John Lyons of Prescott, Ont., was chosen Bishop of Ontario on Feb. 3 to succeed Rt. Rev. C. A. Seager, the consecration ceremony taking place on Mar. 29 at St. George's Cathedral, Kingston.

Following the retirement of Rt. Rev. G. E. Lloyd, D.D., Rev. W. T. T. Hallam, D.D., a former Principal of Emmanuel College, Saskatoon, was elected Bishop of Saskatchewan on July 28, 1931, being formally consecrated at Saskatoon on Oct. 29.

Two appointments of interest were those of Rev. Robert J. Renison, D.D., and Rev. A. H. Sovereign, D.D., both of Vancouver, on Sept. 30 as Bishop of Athabaska and Bishop of the Yukon respectively. A double consecration ceremony was held in Vancouver on Jan. 6, 1932. A few months later (June, 1932) it was announced that Bishop Renison had been offered and had accepted the rectorship of St. Paul's Church, Toronto, to succeed Rev. H. J. Cody, D.D., President-elect of the University of Toronto. The new rector's official duties were to commence on Oct. 1.

The diocese of Edmonton also welcomed a new Bishop in the person of Ven. Archdeacon A. E. Burgett, D.D., elected on Oct. 14 to succeed Rt. Rev. H. A. Gray, M.A., D.D., and formally consecrated on Jan. 13, 1932.

The Report of the General Secretary (Rev. R. A. Hiltz, M.A., D.C.L.) of the General Board of Religious Education for the fiscal year ended July, 1931, stated that there were at that time 65 different pamphlets available, dealing with all departments of Sunday School, Young People's and Bible Class work and that over 332,000 copies of these had been distributed on application during the year. A total of 56,082 miles had been travelled during the year by the two Field Secretaries and the General Secretary in the interest of religious education. The Report contained a suggestion that a separate department should be created under the Executive Council to be responsible for the publishing and handling of the material prepared by all the departments of the Church and by the General Synod itself, a task hitherto carried on by the three Boards of the Church. It was announced that approximately $18,000 had been expended on the general work of the Board during the year.

An urgent appeal for assistance in their good work was contained in the 16th Annual Report for 1931, entitled "The Challenge of Hard Times" of the Council for Social Service of the Church of England in Canada. This Report was presented to the Annual Meeting of the Council at Guelph, Ont., on Sept. 10, 1931. The General Secretary, Rev. Canon C. W. Vernon, M.A., D.C.L., pointed out the need for organized publicity which would involve the wholehearted support of *The Canadian Churchman*, the national weekly of the

Church; more co-operation between the boards in their publications and a fully developed press service. It was stated that good work was being done in the religious instruction of men in the construction camps opened by the Provincial and Federal Governments throughout Canada. A hostel for young men had been opened in Toronto in the old Granite Club building, during the year.

According to *The Canadian Churchman* (Jan. 21, 1932), $11,000 and a vast number of bales had been received up to Dec. 31, 1931, from the East and from Winnipeg and British Columbia for the desolated districts of the West. This was in response to an appeal issued by the Council in co-operation with the Women's Auxiliary.

At the Annual Meeting of the Dominion Board of Women's Auxiliaries of the Missionary Society of the Church of England, held Sept. 29-30, 1931, it was resolved to amend the constitution, enlarging its scope to include social service and religious educational work on its programme. Mrs. Gilbert Ferrabee, Montreal, was re-elected President for the ensuing year.

The Presbyterian Church in Canada

The 58th General Assembly of the Presbyterian Church in Canada was held in London, Ont., June 1-9, 1932. At the opening session, Rev. Robert Johnston, M.A., B.D., Ottawa, was elected Moderator to succeed Rev. W. G. Brown, M.A., B.D. Considerable discussion centred around the reading, early in the proceedings, of an official protest from Rev. T. A. Moore, Secretary of the General Council of the United Church of Canada, against the use of the term "Presbyterian Church in Canada." It was asserted that the identity of the latter body was legally merged in the United Church through the United Church of Canada Act, 1925. The incident resulted in the withdrawal from the Assembly of Rev. James Endicott, D.D., a former Moderator of the United Church of Canada, a move having been made to refuse the fraternal greetings borne by him on behalf of his Church, and the adoption of a motion to send the protest to the Legal Committee of the Board of Administration.

The Commission, appointed at the 1931 Assembly, at the request of the Knox College Board of Management to deal with the "intolerable" situation in Knox College, presented its Report to the 1932 Assembly. It declared that sufficient evidence had been discovered of the existence of unsatisfactory conditions "seriously affecting the operation, life, influence and usefulness of the College" and recommended that the Assembly take steps to bring the unsatisfactory situation to an end. A Committee was thereupon nominated to consider the evidence gathered by the Commission and to suggest a solution of the question. The Committee, subsequently submitting its Report, confirmed that of the Commission and stated, in addition, that the condition had not arisen from "doctrinal errors" nor was it "due essentially to differences between members of the Faculty." It recommended, however, that Rev. Thomas Eakin should be relieved of the Principalship of the College by Aug. 31, 1932, but that he should retain his chair as Professor of Old Testament; that the services of Rev. E. Lloyd Morrow, Professor of Systematic

Theology, should terminate Aug. 31; and that the Moderator of the General Assembly should be appointed Principal for the ensuing year. Although these recommendations were strongly opposed in some quarters owing to the fact that no evidence as to the actual character of the allegedly grave and delicate situation had been submitted to the Assembly, they were finally adopted by a strong majority.

The Financial Statement for the year ended Jan. 31, 1932, reported a total revenue of $478,627 and total expenditures of $523,319, leaving a deficit for the year of $44,691. This increased the total deficit of the Church to $198,104. Every Synod showed a decrease in collection and only one Presbytery, Ottawa, showed an increase. The Board of Administration recommended that the amount allocated to the Synods for 1933 be $500,000 and that the balance raised in excess of $441,000 be applied to the reduction of the deficit. At the final sessions the Assembly appointed Rev. Allen S. Reid of Montreal as Financial Agent of the Church to deal with the "acute financial problem" and endorsed a one-step forward movement with an objective of $180,000 to wipe out the deficit and also a larger scheme to raise $500,000 over a period of years through all Church organizations.

The statistical returns submitted to the Assembly for the year ended Dec. 31, 1931, were as follows: members received upon profession of faith, 7,447, and by certificate, 5,816, a total of 13,263 as against 13,910 reported for the previous year. Total removals by certificate, death or otherwise, amounted to 10,846 as against 11,172 in 1930. While a net gain in members of 2,417 was thus indicated, the total membership of the Church in 1931 was reported at 180,956, a net gain of only 276 over the previous year; this discrepancy was due to the failure of Sessions to make figures in their reports correspond with those of the previous year. The number of families reported was 91,125; ministers, 711; elders, 6,191; baptisms, 6,975 and congregations and preaching stations, 1,319.

The Home and Foreign Missions Report for the year ended Mar. 31, 1932, and presented to the Assembly by the General Board of Missions, stated that the work of previous years had been accomplished only by accumulating a considerable deficit and that unless the necessary money were made available, activities would have to be curtailed. It was stated that in the home field there were 170 augmented charges receiving grants from the funds ranging from $300 to $600 a year, totalling, approximately, $90,000. There were also 200 home mission fields supported in part, and in some cases in full, out of the mission funds. During the year under review, appeals for relief for the needy in the Western Provinces and for money to maintain ministers and missionaries in those sections met with a generous response. Over fifty foreign missionaries were labouring in the foreign mission fields of China, India, Formosa, Manchuria, Japan, Poland and British Guiana. Approximately the same number were working under the Women's Missionary Societies. A recom-

mendation was submitted by the Board that the General Assembly appoint a Board to handle the Church Extension Fund and the Church and Manse Fund. The 1933 General Assembly was to be held in Peterboro', Ont.

Baptist Churches in Canada

The Report of the Union of Regular Baptist Churches of Ontario and Quebec for the twelve months ended Sept. 30, 1931, was submitted to the 1931 Annual Convention held in Toronto on Oct. 20-22. Total income received for the period under review was $37,955, of which $4,578 was the balance carried over from the previous year. $10,424 was expended on Home Missions and $8,904 on Foreign Missions out of a total expenditure of $32,102. This left cash in hand amounting to $5,853.

Seven churches were named in the Report as having withdrawn from the Union as a result of the expulsion, at the Convention in June, 1931, of nine Ministers for disturbing the peace of the Union. This left 82 churches on the list. During the course of the proceedings it was stated that nineteen churches, although most of them had not formally withdrawn from the Union, had, subsequent to the June Convention, formed a fellowship of their own. Resolutions were adopted amending the Constitution of the Union to exclude as delegates all members of the Women's Missionary Society and the F.B.Y.P.A. or local auxiliaries or persons sympathetic to them; also all churches refusing to support the Mission Fund of the Church. These amendments automatically excluded the churches above-mentioned. Officers elected for 1931-32 were as follows: President, Rev. Clifford J. Loney, Hamilton; Vice-Presidents, O. L. Raymer and W. C. Boadway, Toronto; and Secretary-Treasurer, Rev. W. E. Atkinson, Toronto.

The 1931 Annual Baptist Convention of Ontario and Quebec was held in Peterborough, Ont., Oct. 20-23. The Western Mission Board reported total receipts for the year ended Sept. 30, 1931, of $19,900 and total disbursements of $19,749. The Home Mission grant assisted only sixty churches, six congregations having become self-supporting during the year. A financial deficit of $13,500 was reported for that Board. The Superannuation Fund Report showed total receipts for the year of $54,814, the sum of $33,142 received in legacies having been the largest ever collected from that source; total disbursements were $50,295, leaving a bank balance of $4,519. Important resolutions were passed by the Convention commending the Federal and Provincial Governments for their action in the alleviation of unemployment and distress; re-affirming their belief in reciprocal disarmament; and endorsing the activities of the Social Service Council of Canada on the problem of narcotic drug trafficking. Prof. A. L. McCrimmon, of Hamilton, was unanimously re-elected President; Rev. J. A. Johnston, London, and Rev. B. W. Merrill, Toronto, Vice-Presidents; Rev. C. E. McLeod, Toronto, Secretary, and R. D. Warren, Toronto, Treasurer.

The largest number of baptisms since 1925-26 was the record of 1,794 achieved for 1930-31 by the Baptist Convention of the Maritime Provinces as announced by the General Secretary to the Annual Meeting held in Wolfville, N.S., Aug. 27-29, 1931. The total membership reported in 1931 was 59,546 as against 58,426 in 1930; number of churches in the Convention, 585; and number of ordained ministers in the Convention, 277. Contributions from all sources for the year totalled $148,125; and the total value of property was $4,366,725, with an income for the year of $705,110. W. G. Clark was elected President of the Convention for 1931-32.

The Board of the Baptist Union of Western Canada held their Annual Meeting on Jan. 27, 1932, in Edmonton. Statistics reported were as follows: number of churches, 218; membership, 21,752; pastors, 167 and student or lay pastors, 12. Officers elected for 1932 were as follows: President, Charles Bentall, Vancouver; Vice-Presidents, W. G. Carpenter, LL.D., Calgary, E. E. Anderson, Moose Jaw, and Mrs. D. M. Thomson, Winnipeg; and General Secretary, Rev. W. C. Smalley, Edmonton.

The Annual Report of the Canadian Bapist Foreign Mission Board covering the year ended Mar. 31, 1932, as presented to the Annual Meeting held Oct. 28-29, 1931, stated that there were 89 Baptist missionaries with 1,200 (an increase of 101 over the previous year) Indian Christian Colleagues in India, and 20 missionaries with 6 native helpers in Bolivia. India had 109 churches, 23,138 members living in 861 villages and contributing $11,000, 877 Sunday schools, 1,012 teachers and 20,165 pupils, 579 village schools with an average attendance of 18,271, 14 boarding schools, 9 hospitals, 12 dispensaries and 2 leper homes. Bolivia had 5 churches with 249 members, 8 Sunday schools with 600 pupils and 135 students at Reekie College. Almost every branch of activity in both fields showed substantial results. Membership in India had increased during the year by 2,057 souls. The regular receipts of the General Board for 1930-31 apart from Women's Boards totalled $103,398 divided as follows: Maritime Provinces, $25,885; Western Canada, $14,693; and Ontario and Quebec, $62,820. For the previous two years expenditure in excess of income by the General Board had totalled $77,600. The Board elected the following officers for 1931-32: Chairman, Rev. John MacNeill; Secretary, Rev. H. E. Stillwell; and Treasurer, R. D. Warren.

CANADIAN BOOKS OF 1931

By

George H. Locke, M.A., LL.D.

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Great Britain. Ministry of Agriculture and Fisheries. The Use of Agricultural Machinery in Canada and the United States; by **Thomas Baxter, George Clarke** and **J. E. Newman.** (Bul. 27). 38p. il. London, H.M. Stationery Office.

Marshall, Duncan McLean, 1872—. Farm Management. 246p. il. plans, diagrs. 18cm. Toronto, Imperial Oil Co.

Business and Industries

Ashley, Charles Allan, 1894—. An Introduction to Auditing for Canadians. ix, 160p. 19cm. Toronto, Macmillan.

Beasley, Norman. Freighters of Fortune; The Story of the Great Lakes. ix, 311p. pl. London, Harper.

Canadian Trade Index 1931. 884p. il. 25cm. Toronto, Canadian Manufacturers' Assoc.

Ferguson, Walter Scott, 1875—, and Crocombe, Frederick Richard, 1893—. Limited Companies and Their Accounts. 328p. Toronto, Commercial Text Book Co.

Hodgson, Robert George, 1898—. A Scrap Book of Mink Raising. 337p. il. ports. map, diagrs. 22cm. Toronto, Fur Trade Journal of Canada.

Jones, Harry A. Progressive Lessons in Machine Shop Practice, bk. 2; authorized by the Dept. of Education of British Columbia for use in the technical schools. 217p. il. diagrs. 23cm. Toronto, Nelson.

Manual of the Textile Industry of Canada, 1931. Gardenvale, Que., Industrial and Educational Pub. Co.

McMurtrie, Douglas Crawford, 1888—. The First Printing in Manitoba. (Reprinted from the Printing Review of Canada, Oct. 1930). 23p. facsims. 22cm. Chicago, Eyncourt Press. (ltd. to 250 cop.).

Rous, Herbert Lawrence, Ed. Art as Applied to Typography. 64p. pl. Toronto, Rous & Mann, for the Toronto Typothetæ. (12 lectures given at the Ontario College of Art to a special class of employees from members of the Toronto Typothetæ).

Toronto Home Builders' Association. 1931 Home Builders Annual. 208p. il. ports. plans, diagrs. 30cm. Toronto, the Association.

Fine Arts

Bacheler, Clementine, and White, Jessie Orr. The Nun of the Ca'-Frollo; the Life and Letters of Henrietta Gardner Macy. xx, 321p. pl. ports. 22cm. N.Y., W. F. Payson.

Brandreth, William Gordon, 1903—. The Canadian Book of Games and Other Activities. xvii, 315p. il. diagrs. 20cm. Toronto, Ryerson.

Burke, William Edgar. Elementary Theory of Music, Arranged in Simple Language with Questions for Each Chapter; bk. 1. 88p. il. Waterloo, Waterloo Music Co.

Canada. Public Archives. Catalogue of Lantern-Slides in the Public Archives of Canada; prepared by **James F. Kenney.** vi, 53p. 25cm. Ottawa, King's Printer.

Canadian Graphic Art Year Book. Ed. by the Can. Soc. of Graphic Art. 24p. il. pl. 31cm. Toronto, Ryerson. (ltd. to 500 cop.).

Moore, Henry J. The Culture of Flowers, Annual, Half-Hardy Biennial and Half-Hardy Perennial Kinds and Foliage Plants. (International Garden ser.). xii, 232p. il. pl. 20cm. Toronto, Ryerson.

Nobbs, Percy Erskine, 1875—. Present Tendencies Affecting Architecture in Canada. (McGill Univ. Pub. ser. 13, no. 29; reprinted from Roy. Arch. Inst. of Can. Journal, v. 7, 1930). 12p. il. 30cm. Montreal, McGill Univ. Library.

Plumb, Frederick, 1851—. Duette, or Six Hundred, a Card Game for Two; and Auction Duette. 31p. Toronto, Wm. Tyrrell & Co.

Rose Society of Ontario. Yearbook, 1931. 152p. il. pl. Toronto, Macoomb Press.

Smith, Leo. Music of the Seventeenth and Eighteenth Centuries. viii, 283p. ports. 20cm. Toronto, Dent.

Traquair, Ramsay, 1874—, and Neilson, Gordon A. The Architecture of the Hôpital Général, Quebec. (McGill Univ. Pub. ser. 13, no. 31; reprinted from Roy. Arch. Inst. of Can. Journal, v. 8, 1931). 33p. il. plans. 30cm. Montreal, McGill Univ. Library.

Language and Literature

Broadus, Edmund Kemper, 1876—. The Story of English Literature. xiv, 624p. il. pl. ports. maps, facsim. 24cm. N.Y., Macmillan.

Canadian Club of Toronto. Addresses; v. 28, Season of 1930-31. xiv, 302p. 22cm. Toronto, Warwick Bros. & Rutter.

Dalton, Mrs. Annie Charlotte, 1865—. The Future of Our Poetry. 14p. 13cm. Vancouver, B.C., W. Dalton, 5012 Grenville St. (for private distribution).

Deacon, William Arthur, 1890—, and Reeves, Wilfred, 1901—, Eds. Open House. 319p. 21cm. Ottawa, Graphic.

Green, Frederick Charles, 1891—. Eighteenth Century France, Six Essays. vii, 221p. (London, Dent).

Green, Frederick Charles, 1891—. French Novelists from the Revolution to Proust. viii, 354p. 19cm. London, Dent.

Hume, William Elliott, Ed. The Opportunity Plan; a Series of Lesson Outlines and Exercises, Based on the Prescribed Course of Study for the Province of Ontario and Designed to Meet the Needs of the Individual Pupil; Literature, third-fourth classes. 4v. 23cm. Toronto, Nelson.

Kennedy, Howard Angus, 1861—. The Red Man's Wonder Book; il. by George L. Cumine, xvi. 366p. 41 il. N.Y., Dutton. (Can. agent, the Author, Ottawa).

Leacock, Stephen Butler, 1869—. Back of Beyond; and Other Contributions to Human Knowledge. 197p. — Frenzied Fiction. 240p. — Further Foolishness. 234p.—Literary Lapses. 248p. — My Discovery of England. 219p. London, Lane.

Martin, Burns, 1895—. Allan Ramsay, A Study of His Life and Works. viii, 203p. pl. Cambridge, Mass., Harvard Univ. Press.

McLean, Basil M., and Watson, Stanley A. English for Newcomers, a Handbook for Newcomers and Their Teachers. xii, 233p. 22cm. Toronto, Nelson.

Norwood, Gilbert, 1880—. Greek Comedy. 413p. London, Methuen.

Osler, Bart., Sir William, 1849-1919. Student Life and Other Essays; with an introd. by H. H. Bashford. xxxvi, 145p. N.Y., Houghton.

Reaman, George Elmore, 1889—. English for New Canadians; new ed. 96p. Toronto, Longmans Green.

Reaman, George Elmore, 1889—. English Grammar for New Canadians. Toronto, Longmans Green.

Woodley, Edward Carruthers, 1878—. Legends of French Canada; il. by Kathleen Shackleton. vii, 105p. il. pl. Toronto, Nelson.

Poetry and Drama

Austin, Lilian Edna. Etchings of Fenelon Falls. 64p. il. Boston, Mass., Meador.

Boultbee, H. C. The Oxford Lists, and Other Poems. 44p. 19cm. Toronto, Oxford.

Bourinot, Arthur Stanley, 1894—. Sonnets in Memory of My Mother. Ottawa, the Author. (ltd. to 50 cop. for private distribution).

Brown, Audrey Alexander. A Dryad in Nanaimo. 70p. 22cm. Toronto, Macmillan.

Canadian Authors' Association. Edmonton Branch. Alberta Poetry Year Book. Edmonton, Institute Press.

Canadian Authors' Association. Montreal Branch. Poetry Group. Poetry Year Book, 1930-31; with a Preface by Warwick Chipman. 49p. 19cm. Montreal, the Association.

Card, Raymond. General Wolfe, a One-Act Play. 28p. front. diagr. 19cm. Toronto, Nelson.

Carman, Bliss, 1861-1929. The Music of Earth: with Foreword and Notes by Lorne Pierce. 45p. 24cm. Toronto, Lorne Pierce. (250 cop. for private distribution).

Chandler, Mrs. Mary Rena. Neighbour Lore. 54p. 19cm. Wolfville, N.S., Davidson Bros.

Cowan, John Bruce, 1882—. Canuck, a Play. 149p. Vancouver, B.C., Rose, Cowan & Latta.

Dalton, Mrs. Annie Charlotte, 1865—. The Neighing North; Drawings by J. W. Galloway MacDonald. ix, 80p. front. il. 24cm. Toronto, Ryerson. (ltd. to 225 numbered signed cop.).

Davidson, True, 1901—. Muses of the Modern Day, and Other Days. 131p. 19cm. Toronto, Dent.

Denison, Merrill, 1893—. Henry Hudson, and Other Plays; Six Plays for the Microphone from the Romance of Canada Series of Radio Broadcasts. xi, 183p. pl. 19cm. Toronto, Ryerson.

Henderson, Mrs. Christine Lighthall. The Unwelcome Guest, and Other Poems. 8p. Montreal, the Author, n.d. (for private distribution).

MacDonald, Wilson, 1880—. A Flagon of Beauty. 217p. 19cm. Toronto, Pine Tree Press, 477 Sherbourne St.

MacInnes, Tom. Rhymes of a Rounder. 136p. Vancouver, B.C., the Author, Standard Bank Bldg.

MacIntosh, Mrs. Claire Harris. Attune With Spring in Acadie; Introd. by F. Schuyler Mathews, il. by Marjorie Hughson Tozer. 106p. il. pl. 21cm. N.Y., Putnam.

McDonald, Donald. Money Talks; Letters to the Sarnia Canadian Observer on Hard Times and Their Cure. 32p. 21cm. Camlachie, Ont., the Author.

Neilan, William Sydney. Through Wayside Gardens. vii, 114p. Montreal, Renouf.

Partridge, Thomas J. Louisburg, America's First Field. 70p. il. Cambridge, Mass., Powell Pub. Co.

Pierce, Lorne Albert, 1890—, and King, Morris Lee, Eds. Bliss Carman's Scrap-Book, a Table of Contents. 19p. 34cm. Toronto, Ryerson. (An index to Carman's Scrap-Book of his fugitive verse, 1883-1921, in possession of Mrs. Mary Perry King. (Ltd. to 75 numbered cop.).

Ritchie, Eliza, Ed. Songs of the Maritimes, an Anthology of the Poetry of the Maritime Provinces of Canada. 213p. 19cm. Toronto, McClelland & Stewart.

Saskatchewan, University. Student Verses, 1931. Saskatoon, The University.

Stewart, Herbert Leslie, 1882—. Puritanism of George Bernard Shaw. (Reprinted from Roy. Soc. of Can. Trans. ser. 3, v. 24, section 2). 12p. Halifax, N.S.. the Author.

Vancouver Poetry Writers' Group. Poems, Produced During the Season of 1929-30. 28p. 16cm. Vancouver, B.C., Mrs. I. H. Moody.

Vancouver Poetry Writers' Group. Verses, Produced During the Season of 1928-29. 29p. 16cm. Vancouver, B.C., Mrs. I. H. Moody.

Watson, Robert, 1882—. Dreams of Fort Garry; with Twenty Woodcuts by Walter J. Phillips. 64p. il. Winnipeg. Stovel. (ltd. to 968 cop. signed by author and illustrator).

Wetherald, Ethelwyn, 1857—. Lyrics and Sonnets; complete ed. arranged with an introd. by John W. Garvin. 304p. il. Toronto, Nelson.

Women's Art Society of Montreal. Poems on Peace, from Among Those Submitted in Competition. 6p. 16cm. Montreal, the Society.

Woodrow, Mrs. Constance (Davies), 1899—. Selections from Sonnets to Gabriel. 4p. 19cm. Toronto, the Author. (ltd. to 250 cop. for private distribution).

Travel

Amoss, Harry. Canadian Neighbours. viii, 204p. pl. Toronto, Ryerson.

Davies, Blodwen. The Storied Streets of Quebec; Illustrations from Etchings by Barbara Stephens; new issue. 94p. front. il. map. 19cm. Toronto, Ryerson.

Davies, Blodwen. Storied York, Toronto Old and New; illustrations by Thoreau MacDonald. 127p. il. 19cm. Toronto, Ryerson.

Laut, Agnes Christina, 1871—. Pilgrims of the Santa Fé; with 44 il. from photographs. x, 363p. pl. N.Y., Stokes.

Le Bourdais, Donac Marc, 1887—. Northward on the New Frontier. 311p. pl. ports. Ottawa, Graphic.

Morin, Victor, 1865—. Old Montreal with Pen and Pencil; il. by Charles W. Simpson. 40p. pl. London, Canadian Pacific Railway.

Powell, Edward Alexander, 1879—. Marches of the North, from Cape Breton to the Klondike; il. with photographs, x, 311p. pl. map. N.Y., Century.

Sutherland, John Campbell, 1860—. The Province of Quebec, Geographical and Social Studies; 2nd rev. ed. xiii, 126p. pl. 23cm. Toronto, Nelson.

Tricoche, George Nestler, 1859—. Rambles Through the Maritime Provinces of Canada, a Neglected Part of the British Empire. 191p. pl. London, Stockwell.

Biography

Cruikshank, Ernest Alexander, 1854—. A Memoir of Colonel the Honourable James Kerby, His Life in Letters. (Welland County Hist. Soc. Papers and Records, v. 4). 349, 23p. Welland, the Society.

Ford, Frederick Samuel Lampson, 1869—. William Dunlop, 1792-1848. 52p. ports. 18cm. Toronto, Murray Print. Co.

Green, Ernest, 1881—. Notes on the Empey (Impey) Family of Stormont. (Reprinted from Ont. Hist. Soc. Papers and Records, v. 27, p. 392-99, 1931). Ottawa, the Author. (for private distribution).

Lyon, Lawrance, 1875—. By the Waters of Babylon. 288p. London, Hutchinson.

Mackenzie, Frederick Arthur, 1869-1931. An Authentic Biography of the Right Hon. Lord Beaverbrook. 296p. il. London, Jarrolds.

Poole, Evelyn Lavina, 1907—. The History of the MacFarlanes, 1831-1931. 80p. pl. ports. London, Ont., Middlesex Printers.

Watson, William R. Maurice Cullen. 45p. il. Toronto, Ryerson.

History

Amherst, Jeffery Amherst, 1st Baron 1717-97. The Journal of Jeffery Amherst, Recording the Military Career of General Amherst in America from 1758 to 1763; ed. with introd. and notes by J. Clarence Webster. (Can. Hist. Studies, Lorne Pierce, general ed.) xxiv, 341p. pl. ports, maps, plan, facsim. 24cm. Toronto, Ryerson.

Askin, John, 1739-1815. The John Askin Papers, v. 2. 1796-1820; ed. by **Milo M. Quaife.** (Burton Hist. Records). 829p. pl. port. map. Detroit Library Commission.

Brady, Alexander, 1896—. Canada. (Modern World Ser.) vii, 374p. maps. London, Benn.

Bremner, Benjamin, 1851—. Memories of Long Ago; being a Series of Sketches Pertaining to Charlottetown in the Past. 96p. il. pl. ports. 22cm. Charlottetown, P.E.I., Irwin Print. Co.

Burpee, Lawrence Johnstone, 1873—. Grand Portage. (Reprinted from Minnesota History, v. 12, p. 359-77, 1931). Ottawa, the Author.

Canada. Public Archives. Report for the Year 1930. xxii, 187p. 25cm. Ottawa, King's Printer. (Appendix A, Calendar of State Papers addressed by the Secretaries of State for the Colonies to the Governors-General or Officers administering Lower Canada, 1787-1841; pt. 1, 1787-1830).

Carnochan, Janet, 1839-1926. Inscriptions and Graves in the Niagara Peninsula. (Niagara Hist. Soc. reprint of No. 19 with additions and corrections). vii, 147p. il. 22cm. Niagara-on-the-Lake, the Society.

Constantin-Weyer, Maurice, 1881—. Champlain (Les Grandes Figures Coloniales). ix, 240p. Paris, Plon.

Constantin-Weyer, Maurice, 1881—. The French Adventurer; the Life and Exploits of La Salle. 255p. il. N.Y., Macaulay. (Pub. as Cavalier de la Salle, Paris).

Cruikshank, Ernest Alexander, 1854—. Ed. The Correspondence of Lieut.-Governor John Graves Simcoe, with Allied Documents Relating to His Administration of the Government of Upper Canada. v. 5, 1792-1796, supplementary. xii, 292p. 25cm. Toronto, Ontario Hist. Soc.

Cruikshank, Ernest Alexander, 1854—. Ed. Records of Niagara, 1805-1811. (Niagara Hist. Soc. Papers, No. 42). 132p. front. 23cm. Niagara-on-the-Lake, the Society.

Cuthbertson, George A. Freshwater, a History and a Narrative of the Great Lakes. xii, 315p. il. pl. 23cm. Toronto, Macmillan.

Dafoe, John Wesley, 1866—. Clifford Sifton in Relation to His Times. xxix, 552p. pl. ports. facsim. 22cm. Toronto, Macmillan.

Doughty, Arthur George, 1860—. Under the Lily and the Rose. 2v. 165; 171p. il. pl. Toronto, Dent.

D'Entremont, H. Leander. The Baronnie de Pombcoup and the Acadians. 192p. Yarmouth, N.S., Herald-Telegram.

Ewart, John Skirving, 1849—. Independence Papers, v. 2.

No. 12. Responsible Government, British Attitude, Canadian Sovereignty. p. 388-474.

No. 13. Responsible Government, Upper Canada, Lower Canada. p. 476-514.

No. 14. Responsible Government, the Province of Canada. p. 516-58.

Ottawa, the Author.

Flenley, Ralph, 1886—. Modern Europe and the World. xvi, 567, 24p. il. ports. maps, plans. 21cm. London, Dent.

Foran, Joseph Kearney, 1857—, and Morrissey, Sister Helen. Jeanne Mance; or The Angel of the Colony. 192p. pl. Montreal, Herald Press.

Fraser, William, 1808-1892. The Diary of Rev. William Fraser, 1834-35; with an Introductory Essay on Early Presbyterianism in Western Ontario, by Harry E. Parker.

(London and Middlesex Hist. Soc. Trans. 14, 1930). 156p. pl. facsims. 23cm. London, Ont., the Society.

Gage, Thomas, 1721-1787. Correspondence with the Secretaries of State, 1763-1775; comp. and ed. by **Clarence Edwin Carter,** v. 1. (Yale Hist. Pub. Mss. and ed. texts, 11). xii, 455p. 25cm. New Haven, Conn., Yale Univ. Press.

Gaither, Mrs. Frances Ormond (Jones), 1889—. The Fatal River; the Life and Death of La Salle. 303p. maps, facsims. N.Y., Holt.

Hudson's Bay Co. Charters, Statutes, Orders-in-Council, etc., Relating to the Hudson's Bay Company. ix, 249p. 22cm. London, Hudson's Bay Co.

Innis, Harold Adams, 1894—. Peter Pond, Fur Trader and Adventurer. xi, 153p. map. 23cm. Toronto, Irwin & Gordon.

Jacks, Leo Vincent, 1896—. La Salle. 282p. map. N.Y., Scribners.

Jacobson, Harold S. For the Freedom of the Mohawk; il. by Richard H. Rodgers. 320p. il. N.Y., Dutton.

Jewitt, John Rodgers, 1783-1821. A Journal kept at Nootka Sound, by John R. Jewitt, during a Captivity among the Indians from March, 1803, to July, 1805; reprinted from the original ed. Boston, 1807, with an introd. and a check list of later accounts of Jewitt's captivity, by **Norman L. Dodge.** xxiv, 91p. Boston, Goodspeed.

Johnson, Sir William, Bart, 1715-74. The Papers; Prepared for Publication by the Division of Archives and History, by **Alexander C. Flick,** v. 6-7, xiv, 789; xiii, 1160p. il. Albany, N.Y. State Library.

Karpinski, Louis Charles, 1878—. Bibliography of the Printed Maps of Michigan, 1804-1880; with a Series of over one hundred Reproductions of Maps constituting an Historical Atlas of the Great Lakes and Michigan, including discussions of Michigan maps and map-makers, by **William Lee Jenks.** 539p. pl. maps. 23cm. Lansing, Michigan State Hist. Soc.

Karpinski, Louis Charles, 1878—. Historical Atlas of the Great Lakes and Michigan; to accompany the Bibliography of the Printed Maps of Michigan. 4,104 leaves. maps. 23cm. Lansing, Michigan State Hist. Soc.

Landon, Fred, 1880—. The Duncombe Uprising of 1837 and Some of Its Consequences. (Reprinted from Roy. Soc. of Can. Trans. 1931, section 2, p. 83-98). 25cm. Ottawa, the Society.

Langstone, Rosa W. Responsible Government in Canada; with a Preface by Sir Raymond Beazley. xi, 241p. 22cm. London, Dent. (Ph.D. Thesis to Birmingham Univ., pub. and withdrawn, 1931, and re-issued with p. xa inserted, 1932).

Laut, Agnes Christina, 1871—. Cadillac, Knight Errant of the Wilderness, Founder of Detroit, Governor of Louisiana from the Great Lakes to the Gulf. 298p. pl. ports. maps, facsims. 22cm. Indianapolis, Bobbs-Merrill.

Lemieux, Louis Joseph, 1870—. The Governors-General of Canada, 1608-1931. xiv, 325p. London, the Author, Quebec Govt. Office.

Livingston, Walter Ross. Responsible Government in Prince Edward Island; a Triumph of Self-Government Under the Crown. (Univ. of Iowa. Studies in the Social Sciences, v. 9, No. 4). 136p. 23cm. Iowa City, Univ. of Iowa.

Lockridge, Ross Franklin, 1877—. La Salle, xvi, 312p. Yonkers-on-Hudson, N.Y., World Book Co.

MacMechan, Archibald M'Kellar, 1862—. Red Snow on Grand Pré. 224p. 19cm. Toronto, McClelland & Stewart.

Marsh, Edith L. A History of the County of Grey, by E. L. Marsh; in co-operation with the Official Committee, William Breese, Sheriff, John Parker, County Treasurer and the several Wardens of the County; pub. by the authority of the Grey County Council. 487p. pl. ports. 22cm. Owen Sound, Fleming Pub. Co.

Middleton, Jesse Edgar, 1872—. The Romance of Ontario. x, 267p. front. il. maps. Toronto, Gage.

Moore, Arthur Henry, 1869—. The Valley of the Richelieu. St. John, Que., E. R. Smith Co.

Proudfoot, William, 1788-1851. From Upper Canada to New York in 1835; Extracts from the Diary of the Rev. William Proudfoot; ed. by **M. A. Garland.** (Reprinted from the Mississippi Valley Hist. Rev. Dec. 1931. v. 18, p. 378-396). 25cm. Ilderton, Ont., the Editor.

Repplier, Agnes, 1858—. Mère Marie of the Ursulines; a Study in Adventure. 314p. N.Y., Doubleday.

Ross, Philip Dansken, 1858—. Retrospects of a Newspaper Person. xiii, 327p. port. 22cm. Toronto, Oxford.

Sydenham, Charles Edward Poulett Thomson, Baron, 1799-1841. Letters from Lord Sydenham, Governor-General of Canada, 1839-41, to Lord John Russell; ed. with an introd. by **Paul Knaplund.** 186p. London, Allen & Unwin.

Topp, Charles Beresford. History of the 42nd Battalion, Royal Highlanders of Canada. 432p. il. maps. Montreal. Gazette Print. Co.

Toronto. Public Library. The Canadian North-West; a Bibliography of the Sources of Information in the Public Reference Library, in regard to the Hudson's Bay Co.; the Fur Trade and the Early History of the Canadian North West; comp. by **Frances Staton.** 52p. 26cm. Toronto, the Library.

Tyrrell, Joseph Burr, 1858—. Ed. Documents Relating to the Early History of Hudson Bay; with introd. and notes. (Champlain Soc. Pub. 18). xix, 419p. pl. maps, facsims. 24cm. (ltd. to 550 cop.). Toronto, the Society.

Wade, Mark Sweeten, 1858-1929. The Overlanders of '62; ed. by **John Hosie.** (British Columbia. Provincial Archives. Memoir 9). xiii, 174p. pl. ports. 24cm. Victoria, B.C., King's Printer.

Wintemberg, W. J. Distinguishing Characteristics of Algonkian and Iroquoian Cultures. (reprinted from Canada. National Museum of Canada. Annual Report, 1929, p. 65-125). il. pl. 25cm. Ottawa, King's Printer.

Winter, Charles Francis, 1863—. Lieutenant-General, the Hon. Sir Sam Hughes, K.C.B., M.P., Canada's War Minister, 1911-16; Recollections of Service as Military Secretary at Headquarters, Canadian Militia, prior to and during the Early Stages of the Great War. xvii, 182p. pl. ports. 21cm. Toronto, Macmillan.

Wood, William Charles Henry, 1864—, Atherton, William Henry, 1867—, and Conklin, Edwin P., Eds. The Storied Province of Quebec, Past and Present. 4v. il. pl. ports. Toronto, Dominion Pub. Co.

Fiction

Barnard, Leslie Gordon, 1890—. One Generation Away; with an Introd. by B. K. Sandwell. xvii, 438p. front. 23cm. Montreal, Dodd-Simpson.

Brooke, Mrs. Frances (Moore), 1724-1789. The History of Emily Montague, by the Author of Lady Julius Mandeville; with an Introd. and Notes by Lawrence J. Burpee and an Appendix by F. P. Grove. (Canada ser. v. 2). 333p. Ottawa, Graphic.

Campbell, Austin, 1884—. The Rock of Babylon. 354p. Ottawa, Graphic.

Carey, Douglas. The Scorpion. 312p. Ottawa, Graphic.

Carleton, Veros, *pseud.* The House of Temptation. 354p. Ottawa. Graphic.

Cather, Willa Sibert, 1875—. Shadows on the Rock. 280p. N.Y., Knopf.

Cody, Hiram Alfred, 1872—. The Red Ranger. ix, 293p. 19cm. Toronto, McClelland & Stewart.

Cunningham, Louis Arthur. The King's Fool. 281p. Ottawa, Graphic.

De La Roche, Mazo, 1885—. Finch's Fortune. 399p. Toronto, Macmillan.

Gordon, Charles William (Ralph Connor, *pseud.*) The Rock and the River. Toronto, McClelland and Stewart.

Grove, Frederick Philip, 1872—. The Yoke of Life. (cheaper ed.). 362p. N.Y., R. R. Smith.

Johnson, Walter Seely, 1880—. Pastor Invictus; or, Rebellion in St. Eustache; a story of Quebec Province. Montreal, the Author, 3066 Trafalgar Av.

Kirby, William, 1817-1906. The Golden Dog; shortened, with Introd. and Glossary by E. C. Woodley. (St. Martin's classics). xii, 224p. Toronto, Macmillan.

McClung, Mrs. Nellie Letitia (Mooney), 1873—. Flowers for the Living. 212p. Toronto, Thos. Allen.

Perry, M. Eugenie. The Girl in the Silk Dress, and Other Stories. 144p. Victoria, B.C., the Author.

Stead, Robert James Campbell, 1880—. The Copper Disc. 312p. N.Y., Doubleday.

Boys' and Girls' Books

Duff, Emma Lorne. A Cargo of Stories for Children; illustrations by Elsie Deane. 3rd ed. rev. enl. 288p. il. 21cm. Toronto, McClelland & Stewart.

Gordon, Robert Kay. A Canadian Child's A.B.C. Verses; Drawings by Thoreau MacDonald. 57p. il. Toronto, Dent.

McLennan, Mary Louise. Children's Artist Friends. x, 99p. il. 20cm. London, Dent.

Montgomery, Mrs. Lucy Maud (Macdonald), 1874—. A Tangled Web. ix, 324p. Toronto, McClelland & Stewart. (pub. in England under title Aunt Becky Began It. Hodder).

Paterson, Maude E. Child's Garden of Stories; 2nd rev. ed. 160p. il. Toronto, Macmillan.

Patterson, Henry Whiteley. The Secret Empire, a Boy with La Salle; il. by Philip Cheney. 269p. N.Y., Coward-McCann.

Rorke, Louise Richardson. Lefty, the Story of a Boy and a Dog; with a Foreword by Marshall Saunders. ix, 165p. pl. 20cm. Toronto, Nelson.

Seary, V. P. The Romance of the Maritime Provinces. xii, 243p. front. il. maps. Toronto, Gage.

Thompson, Dora Olive. That Girl Ginger; il. by G. Browne. 286p. il. London, Religious Tract Soc.

Wallace, Archer, 1884—. More Stories of Grit. vi, 140p. 19cm. Toronto, Musson.

Wallace, Archer, 1884—. Mothers of Famous Men. xv, 112p. Toronto, Musson.

CANADIAN OBITUARY FOR 1931-32

(July 1 to Dec. 31, 1931)*

Agnew, John Lyons, Vice-President and Director of the International Nickel Company; Director of the Bank of Toronto; and President and Director of the Huronian Company Limited,—at Copper Cliff, Ont., on July 10, aged 48 years.

Archambault, M.D., Major Gustave, Chief of Services at Notre Dame Hospital, Montreal; served with the Canadian Army Medical Corps during the Great War; a Chevalier de la Legion d'Honneur of France and Officer of the French Academy,—at Montreal, on Nov. 15, aged 47 years.

Atkinson (*née* Elmira Elliott), Mrs. Joseph E. (*pseud.* Madge Merton), journalist and poet; awarded in 1915 the London "Bookman" prize for poem, "Grey Gauntlet,"—at Toronto, on Oct. 22, aged 64 years.

Baldwin, M.D., Edmund St. George, Toronto surgeon and member of an old Canadian family,—at Toronto, on Aug. 31, aged 80 years.

Banks, William, writer and formerly a member for 21 years of the staff of *The Globe,* Toronto,—at Toronto, on July 14, aged 57 years.

Barrett, Leonard R., Vice-President and General Manager of the Vulcan Iron Works, Limited,—at Winnipeg, on Nov. 26, aged 60 years.

Bonner, Isaac, a former General Manager of Penman's Limited,—on June 14, aged 56 years.

Bowles, George, musician and composer; winner in 1928 of the E. W. Beatty Award for an orchestral suite and of the Lord Willingdon prize in the Arts competition in June, 1931,—at Winnipeg, on Sept. 2, aged 65 years.

Brain, Rev. William John, Canon and Rector of the Church of St. Michael and All Angels, Toronto; domestic chaplain to the Bishop of Toronto and Honorary Clerical Secretary to the Synod of Toronto of the Church of England in Canada,—at Toronto, on July 22, aged 60 years.

Bryce, F.R.S.C., LL.D., Rev. George, founder of Manitoba College; first Moderator of the Presbyterian Synod of Manitoba, 1874, and Moderator of the Presbyterian General Assembly, 1902,—at Ottawa, on Aug. 5, aged 87 years.

Buckham, John Andrew, Member, and a former Speaker of the Legislative Assembly of British Columbia,—at Vancouver, B.C., on Oct. 12, aged 58 years.

Buckley, John Francis, Liberal Member of the House of Commons for Athabaska, Alberta,—near St. Paul, Alta., on Nov. 27, aged 40 years.

Cameron, LL.D., Adam, head of the Department of Chemistry at the University of New Brunswick for 18 years,—at Fredericton, N.B., on Aug. 28, aged 56 years.

Cameron, J. Alexander, member of the legal firm of Fair and Cameron; Grand Master of the Grand Lodge of Quebec, A.F. and A.M.; and for six years Sovereign Grand Commander of the Masonic Order in Canada,—at Montreal, on Dec. 16, aged 61 years.

Casey, D.D., Most Rev. Timothy, Archbishop of Vancouver and Metropolitan of British Columbia of the Catholic Church,—at Vancouver, B.C., on Oct. 5, aged 69 years.

Chambers, Edward Thomas Davies, Special Officer for the Department of Colonization and Fisheries, Quebec; formerly Editor-in-Chief of *The Quebec Chronicle* for many years,—at Quebec, on Oct. 5, aged 79 years.

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*NOTE.—See page 611 for Obituary from Jan. 1, to June 30, 1932.

Chesterton, A.R.C.A., Walter, architect and artist,—at Ottawa, on Nov. 13, aged 86 years.

Clougher, Thomas Robert, President of the Clougher Corporation, Limited, London, England; business representative in England of several Canadian newspapers and founder of *The Week*,—at London, England, on Aug. 25, aged 75 years.

Collings, Charles John, artist,—at Seymour Arm, Shuswap Lake, B.C., on Aug. 7, aged 82 years.

Craig, K.C., James, Judge of the Yukon during the Klondike gold rush; and author of historical and legal works,—at Toronto, on Oct. 19, aged 80 years.

Crowe, Hon. Sanford Johnston, Member of the Senate of Canada for British Columbia since 1921; member of the construction firm of Crowe and Wilson, Vancouver,—at Vancouver, on Aug. 23, aged 62 years.

Curry, Hon. Nathaniel, Member (N.S.) of the Senate of Canada; Chairman of the Board of Directors of the Canadian Car and Foundry Company and a prominent philanthropist,—at Tidnish, N.S., on Oct. 23, aged 80 years.

Daniel, Charles David, President and co-founder of the Toronto Pharmacal Company, Limited,—at Toronto, on Dec. 19, aged 73 years.

Davidson, Venerable John Cheyne, Archdeacon of Peterborough; Canon of St. Albans Cathedral and Chaplain to the Jails, Toronto,—at Toronto, on Oct. 9, aged 70 years.

Davidson, K.C., V. A. L., Member of the House of Commons for Annapolis, 1911-21,—at Middleton, N.S., on July 1.

Deeks, M.D., William E., foremost English-speaking authority on tropical diseases,—at New York, on July 24, aged 65 years.

Delisle, Michael Simeon, Member of the House of Commons for Portneuf, 1900-30,—at Quebec, on Oct. 11.

de Longueil, Baron (Reginald D'Iberville Charles Grant), holder of the only hereditary feudal barony of New France; descendant of Charles Le Moyne,—at Caudebec-en-laux, France, in August, aged 73 years.

Derome, B.Sc., M.D., Wilfrid, for seventeen years head of the Provincial Medico-Legal Laboratory at Montreal and medical expert for the Coroner's Court of Montreal; international authority on criminal matters,—at Montreal, on Nov. 24, aged 54 years.

Desaulniers, Dionis L., a former Chief Law Translator of the House of Commons,—at Ottawa, on Nov. 10, aged 77 years.

Descoteaux, Joseph Felix, President of the Nicolet Agricultural Society and Liberal Member of the House of Commons for Nicolet, 1923-30,—at St. Monique, Que., on July 13, aged 68 years.

Dillon, Francis O., senior member of the firm of Dillon and Cosgrove, Customs brokers, Montreal,—at Mount Royal, Que., on July 21, aged 42 years.

Dixon, LL.D., Wellington, for twenty years Principal of the Montreal High School,—at Montreal, on Nov. 24, aged 75 years.

Doherty, P.C., K.C., D.C.L., LL.D., B.C.L., Rt. Hon. Charles Joseph, Minister of Justice for Canada in both the Borden and Meighen Governments; Canadian delegate to the League of Nations, in 1920 and 1921; signed the Peace Treaty of Versailles on behalf of Canada; one of counsel in Jesuits' suit against *The Mail*, Toronto; Professor of Civil and International Law, McGill University, for a number of years; and Director of La Banque du Provinciale, 1907,—at Montreal, on July 28, aged 76 years.

Dontenwill, O.M.I., Monsignor Augustin, a former Bishop of New Westminster and later Superior of the Oblate Order in Canada,—at Rome, on Nov. 30, aged 74 years.

Duncan, D.D., Rev. John M., Editor of Sunday School Publications of the United Church of Canada,—at Toronto, on Sept. 4, aged 72 years.

Edwards, (*née* Henrietta Muir) Mrs. O. C., artist; editor for years of *Woman's Work in Canada;* a former Vice-President of the National Council of Women; and one of the five Alberta women who instigated the appeal to the Privy Council which gave women the right to sit in the Senate of Canada,—at MacLeod, Alta., on Nov. 10, aged 81 years.

Farrell, Hon. Edward Matthew, Member of the Senate of Canada, 1910-31; Member of the Legislative Assembly of Nova Scotia, 1896-1906; elected Speaker of the Assembly in 1905 and in 1907; one of the founders of *The Liverpool Advance,*—at Ottawa, on Aug. 6, aged 77 years.

Finnie, David L., a former General Manager of the Bank of Ottawa. Honorary-Treasurer of the Canadian Red Cross Society during the Great War,—at Ottawa, on Oct. 5, aged 82 years.

Fisher, William Shives, President and founder of the Enterprise Foundry Company, Sackville, N.B.; Director of the New Brunswick Power Company, and a former President of the Canadian Manufacturers' Association,—at Saint John, N.B., on Oct. 15, aged 77 years.

Fiske, Archibald F. C., second Vice-President of the Metropolitan Life Insurance Company and formerly Manager of the Company for Canada,—at Paris, France, on Sept. 7, aged 43 years.

Foster, P.C., G.C.M.G., LL.D., Rt. Hon. Sir George Eulas, Dominion Minister of Marine and Fisheries in Sir John Macdonald's Government, 1885-88; Minister of Finance, 1888-96; Minister of Trade and Commerce, 1911-21; Member of the Senate of Canada, 1921-31; one of the four representatives of the British Government to the Allied Economic Conference at Paris in June, 1916; Chairman of the Canadian Delegation to the first Assembly of the League of Nations at Geneva, 1920, when he was elected one of the Vice-Presidents of that Assembly, and also of that to the Seventh Assembly, 1926,—at Ottawa, on Dec. 30, aged 84 years.

Gartshore, LL.D., Lieut.-Col. William Moir, former President and General Manager of the McClary Manufacturing Company; General Vice-President, Canadian Manufacturers' Association, 1914-15; served with the Seventh Regiment Fusiliers in the second Riel Rebellion,—at London, Ont., on July 26, aged 78 years.

Gazen, Charles Adelbert, General Manager of the Consolidated Distilleries, Limited, and Secretary-Treasurer of J. M. Douglas and Company, Limited, Toronto; served in the Great War with the rank of Major,—at Toronto, on Nov. 29, aged 55 years.

Goldie, Hon. Lincoln, Provincial Secretary for Ontario and Member of the Legislature for South Wellington, 1923-30; Eastern representative of the Canadian Wheat Board, 1919-21; Member of the Grain Inquiry Commission, 1921, and President of the Gore District Fire Insurance Company,—at Guelph, Ont., on Sept. 19, aged 66 years.

Gosnell, R. Edward, author of *Some Practical Phases of a Great Question,* etc.; editor of several Ontario publications during his early years; Librarian of the British Columbia Legislature; then Editor of *The Daily Colonist,* Victoria; subsequently, he accepted the position of Secretary of the British Columbia Forestry Commission and Provincial Archivist; and latterly, was a free-lance writer,—at Vancouver, B.C., on Aug. 5, aged 71 years.

Grierson, George A., educationist, and Minister of Public Works for Manitoba, 1917-21,—at Minnedosa, Man., on Oct. 18.

Groves, (*née* Edith Leleans) Mrs. W. E., internationally-known educationist, lecturer, poet, and philanthropist; twice a delegate to the Imperial Conference on Education, 1924 and 1926; first and only woman to occupy Chair of the Toronto Board of Education; author of *The Kingdom of Childhood;* international President of the Council for Under-Privileged Children, 1928; and formerly President of the Toronto Girl Guides,—at Toronto, on Oct. 17.

Haley, M.A., D.Sc., Francis R., a former member of the Faculty of Acadia University for 37 years,—at Boston, Mass., on Dec. 14, aged 69 years.

Harris, M.A., D.D., Rev. Edward A., Canon of the Church of England; Delegate to the General and Provincial Synods, and President of the King's College Alumni Association, Nova Scotia,—at Mahone Bay, N.S., on Nov. 7, aged 70 years.

Harris, Richard Rowe, a former General Sales Manager of the Pittsburgh Steel Company, Pa.,—at Brantford, Ont., on Oct. 13, aged 75 years.

Hattie, M.D., W. H., Assistant Dean of Dalhousie University School of Medicine and Professor of Mental Hygiene; formerly Superintendent of the Nova Scotia Hospital; and Medical Health Officer for Nova Scotia, 1912-22, —at Dartmouth, N.S., on Dec. 4, aged 61 years.

Hayes, Robert Thomas, Mayor of Saint John, N.S., 1916-20; and a former Member of the New Brunswick Legislature,—at Saint John, N.B., on Dec. 2, aged 67 years.

Hayes, W. J., formerly Manager of the Sheet Metal Products Company of Canada, Limited; a Past Grand Knight of the Montreal Council of the Knights of Columbus,—at Montreal, on Oct. 31, aged 61 years.

Hezzelwood, George, Secretary of the General Motors of Canada, Limited,—at Oshawa, Ont., on Sept. 12, aged 52 years.

Hogg, Albert O., President of the firm of Hogg and Lytle, grain merchants; Member of the Toronto Board of Harbour Commissioners, 1924-27,—at Sturgeon Point, Ont., on Aug. 23, aged 68 years.

Houston, M.A., William, educationist, historian and journalist; a member of *The Globe* (Toronto) staff under Hon. George Brown; member of the Toronto Board of Education and of the University of Toronto Senate, and Editor of *Documents of the Canadian Constitution* and *George Brown As I Remember Him,*—at Hamilton, Ont., on Oct. 15, aged 87 years.

Hunter, John James, Editor and proprietor of *The Review-Reporter,* Kincardine, Ont.; President of the Bruce Municipal Telephone System, and a former President of the Canadian Weekly Newspaper Association,—at Kincardine, Ont., on Aug. 11, aged 64 years.

Jennison, Clark Saxe, Chairman of the Brewing Corporation of Canada, and a former Secretary of the Western Trust and Savings Bank of Chicago, —at Montreal, on Dec. 3, aged 48 years.

Johnston, LL.D., George Franklin, a former Manager of Foreign Agencies for the Sun Life Assurance Co. of Canada, and at one time Supervisor of Agencies in Canada and certain New England States for the New York Life Insurance Company,—*en route* to London, England, in September, aged 69 years.

Kennedy, Samuel W., formerly Director of the Jaeger Company (Canada) Limited,—at Victoria, B.C., on Oct. 3, aged 71 years.

Labelle, Rev. Charles René, Superior of the Order of St. Sulpice in Canada since 1919, and Superior of Montreal College, 1903-13,—at Montreal, on Oct. 4, aged 69 years.

Laird, William G., Western Supervisor of the Imperial Bank of Canada,—at Winnipeg, on Dec. 16, aged 47 years.

Laliberté, M.A., Rev. Flavien, a former Professor at the College of Montreal, —at Montreal, on Oct. 5, aged 81 years.

Loggie, I.S.O., M.F., Lieut.-Col. Thomas G., a former Deputy Minister of Lands and Mines of the Province of New Brunswick,—at Fredericton, N.B., on Dec. 23, aged 77 years.

Macdonald, B.A., LL.D., (Miss) A. Caroline, noted Presbyterian Church Missionary to Japan; interpreter and general assistant to the Japanese delegate to the Labour Conference in Geneva, 1929,—at London, Ont., on July 18.

Machin, Lieut.-Col. Harold Arthur Clement, lawyer; Member of the Ontario Legislature for Kenora, 1908-19, and served as an officer in the South African and Great Wars,—at Shoal Lake, Ont., on Oct. 13, aged 56 years.

Mackay, W. A., a former Dairy Superintendent for Nova Scotia,—at Truro, N.S., on Sept. 13, aged 52 years.

MacKenty, M.D., F.A.C.S., John Edmund, senior surgeon of the Manhattan Eye, Ear, Nose and Throat Hospital,—at New York, on Dec. 11.

Mackenzie, B.A., M.E., George Cleghorn, Secretary-Treasurer of the Canadian Institute of Mining and Metallurgy and Secretary of the Munitions Resources Board of Canada, 1915-18,—at Bark Lake, Que., on Aug. 22, aged 54 years.

MacKinney, (*née* Louise Crummy) Mrs. James, Alberta President and World Vice-President of the Women's Christian Temperance Union; elected, in 1917, Member of the Legislative Assembly of Alberta; and one of the five Alberta women who instigated the appeal to the Privy Council which gave women the right to sit in the Canadian Senate,—at Claresholm, Alta., on July 10, aged 63 years.

Mackintosh, Hon. Charles Herbert, journalist, poet and essayist; a former City Editor of *The London Free Press* and later, Editor of *The Journal of Commerce,* Chicago; Editor-in-Chief, *The Citizen,* Ottawa, 1874-92; owned and edited *The Canadian Parliamentary Companion,* 1877-92; President, Press Gallery of the House of Commons, 1879; Mayor of Ottawa, 1879-81; Member of the House of Commons for Ottawa, 1882-87 and 1890-93; Lieutenant-Governor of the North West Territories, 1893-98. In 1898 became Manager in Canada of the British American Mining Corporation, Rossland, B.C.; and later, a broker and financial agent; was formerly a Vice-President of the British Empire League in Canada,—at Ottawa, on Dec. 22, aged 88 years.

MacLean, Rev. John Russell, rector of St. John's Garrison Church, Toronto, and chaplain of the Royal Canadian Dragoons,—at Toronto, on Nov. 26, aged 62 years.

MacVicar, Rev. Daniel, ex-Moderator of the Maritime Synod of the Presbyterian Church in Canada,—at Thorburn, N.S., on Dec. 15, aged 55 years.

Martin, Frank H., Consulting Engineer of the Winnipeg Electric and North Western Power Company, and for some years President and Chief Engineer of the Martin Engineering Corporation, Niagara Falls,—at Winnipeg, Man., on Dec. 16, aged 50 years.

Mather, Samuel, President of Pickands, Mather and Company; pioneer in Great Lakes shipping, mining and steel manufacturing; Director of several great steel companies of the United States,—at Cleveland, Ohio, U.S.A., on Oct. 18, aged 80 years.

Matson, F.R.G.S., John Samuel Henry, proprietor and publisher of *The Colonist,* Victoria, 1906-1931; Director of the Vancouver Island Transportation Company Limited and of the Vancouver Island Coach Lines, Limited, —at West Bay, Esquimalt, B.C., on Nov. 1, aged 62 years.

McAvity, John A., Vice-President of T. McAvity and Sons, Limited, Saint John, N.B.,—at Saint John, N.B., on Aug. 26, aged 79 years.

McBean, William D., Manager of McBean Brothers, grain brokers and traders,—at Winnipeg, Man., on Sept. 24, aged 69 years.

McCall, James Tod, President of Drummond, McCall and Company, Limited; Director of the Canada Iron Foundries, Limited, the MacKinnon Steel Corporation, Limited, the Royal Trust Company and the Canada Creosoting Company,—at Montreal, on July 1, aged 74 years.

McGhie, Charles G., Vice-President and General Manager of the Welland Vale Manufacturing Company,—at St. Catharines, Ont., on Aug. 29, aged 67 years.

McIntyre, K.C., Donald M., formerly Chairman of the Ontario Railway and Municipal Board,—at Kingston, Ont., on Sept. 1, aged 76 years.

McIvor, M.D., Norman Kitson, Lecturer in Surgery in the University of Manitoba, and officer in the Great War,—at Winnipeg, Man., on Dec. 30, aged 56 years.

McKay, K.C., Hon. James, Judge of the Saskatchewan Appeal Court, and a former Member of the House of Commons for Prince Albert, 1911-14,—at Toronto, on Dec. 1, aged 69 years.

McKenzie, Frederick A., a former London correspondent for *The Toronto Daily Star*; Editor of *The Times Weekly* edition, 1910-14, and War Correspondent for *The London Daily Mail*,—at Zeist, Holland, on July 31, aged 61 years.

McNichol, Andrew Robert, financier of Manitoba; President of A. R. McNichol, Limited; and former Director of Agencies for Mutual Reserve Life, New York,—at Winnipeg, Man., on Dec. 1, aged 71 years.

McPhail, A. J., President of the Saskatchewan Wheat Pool since its inception in 1924, and also of the Canadian Co-operative Wheat Producers, Limited,—at Regina, Sask., on Oct. 21, aged 47 years.

Mearns, K.C., Frank S., a member of the firm of Mearns, Carr and Firth of Toronto; Secretary of the Sons of Scotland Benevolent Association for 30 years,—at Toronto, on Nov. 26.

Miller, Daniel, Manager of the Merchants' Bank, Toronto (defunct) for some years; member of the Ontario Parole Board, 1909-10, and a former Licence Commissioner for Ontario,—at Toronto, on Sept. 9, aged 92 years.

Mingay, John Alfred, General Manager for Canada of the Ocean Accident and Guarantee Corporation, Limited, since 1922,—at Toronto, on Sept. 17, aged 53 years.

Morgan, Colin Daniel, Vice-President of Henry Morgan and Company, Limited, Montreal,—at Montreal, on July 1, aged 85 years.

Morin, C.S.V., M.A., L.Sc. (Paris), Rev. L. J., Dean of the Faculty of Science of the Université de Montréal, and Superior of Joliette Seminary,—at Montreal, on July 28, aged 62 years.

Morris, Rev. W. M., Vice-President of the Ontario Educational Association,—at Toronto, on Dec. 13, aged 60 years.

Mowbray, M.D., F.R.C.S., F.A.C.S., Frederick Bruce, surgeon and co-founder of the McGregor-Mowbray Clinic, Hamilton,—at Hamilton, Ont., on Nov. 11, aged 48 years.

Neill, LL.D., Charles Ernest, Vice-President and Managing Director of the Royal Bank of Canada; President of the Canadian Bankers' Association, 1926-27, and Director of the Dominion Bridge Company,—at Montreal, on Dec. 16, aged 57 years.

Newcombe, M.A., LL.D., K.C., C.M.G., Hon. Edmund Leslie, *Puisne* Judge of the Supreme Court of Canada; and Deputy Minister of Justice for Canada, 1893-1924,—at Ottawa, on Dec. 9, aged 72 years.

Osborne, (*née* Marian Francis) Mrs. Henry C., poet and dramatist; Vice-President and Councillor for Canada of the Poetry Society of England; Vice-President of the Poetry Society of Canada and President of the Ottawa Branch of the Canadian Authors' Association,—at Ottawa, on Sept. 5, aged 59 years.

Parkin, Lady (*née* Annie Fisher), widow of Sir George R. Parkin, LL.D., C.M.G.,—at Port Hope, Ont., on Aug. 1.

Peacock, Harry MacAlister, Director of A. E. Ames and Company Limited; a member of the Executive Committee of the Investment Bankers' Association; and a member of the National Council of the Y.M.C.A. of Canada,—at Toronto, on Oct. 29, aged 49 years.

Penman, John, original owner of Penmans Limited (Adams Hacklin Knitting Company) and was associated with the Mercury Mills of Hamilton,—at Paris, Ont., on Oct. 19.

Perry, M.A., D.D., Rev. Nathaniel Irwin, Venerable Archdeacon of Welland and Rector of Holy Trinity Church, Welland,—at Newmarket, Ont., on Dec. 25.

Phair, Rev. Robert, Archdeacon and Church of England missionary among the Ojibway Indians in Manitoba; Superintendent of the Indian missions in the Diocese of Rupert's Land, 1888-1915,—at San Diego, Cal., U.S.A., on Nov. 11, aged 94 years.

Pirt, M.D., W. W., senior medical examiner of the Winnipeg Board of Pension Commissioners; Officer-in-Charge of the Canadian X-ray Hospital at Ramsgate, England, during the Great War,—at Winnipeg, Man., on Dec. 17, aged 51 years.

Place, K.C., Edson Grenfell, member of the legal firm of Foster, Place, Hackett, Mulvena, Hackett and Foster of Montreal; one of the solicitors engaged in the formation of the United Church in Canada in 1925,—at Lakeside, Que., on July 31, aged 53 years.

Prowse, M.D., F.R.C.S., F.A.C.S., LL.D., S. Willis, Dean of the Faculty of Medicine of the University of Manitoba since 1917,—at Winnipeg, Man., on Aug. 1, aged 62 years.

Raphael, Henry William, senior partner of the firm of T. W. Raphael and Company (extinct), and Director of the Central Railroad of Canada (extinct),—at Montreal, on Oct. 12, aged 81 years.

Riordon, Charles, President, 1877-1927, of *The Daily Mail* and, later, of *The Mail and Empire,* Toronto; co-founder of the Riordon Pulp and Paper Mills; former President of the Niagara Falls Suspension Bridge Company; and was instrumental in building the Temiscouata and International Railways,—at Montreal, on Aug. 17, aged 84 years.

Roberts, James F., Registrar-Treasurer of the Ontario College of Pharmacy since 1924, and former Editor of *The Stratford Herald,*—at Toronto, on Oct. 21.

Ruddy, Joseph, President and General Manager of the Ruddy Manufacturing Company since 1921; Director of Trusts and Guarantee Company and Dominion Foundries and Steel Company; Vice-President and General Manager of the Canada Starch Company, 1911-21,—at Clifton Springs, N.Y., on Nov. 13, aged 69 years.

Scott, M.A., D.D., Rev. Ephraim, former Moderator of the General Assembly of the Presbyterian Church, and Editor of the *Presbyterian Record* for thirty years,—at Montreal, on Aug. 7, aged 86 years.

Sharpe, John, a former Chief Architectural Sculptor for some years of the Department of Public Works, Ottawa,—at Ottawa, on July 1.

Simard, M.D., Arthur, surgeon and Professor of the Faculty of Medicine at Laval University,—at Quebec, on Sept. 3, aged 63 years.

Simard, C. J., Curator of the Provincial Museum of Quebec and former Assistant Provincial Secretary for the Province; engaged upon a history of the City of Quebec at the time of his death,—at Quebec, on Nov. 8, aged 55 years.

Slater, Norman, founder and President of the Norman Slater Manufacturing Company, Hamilton; Vice-President of the National Council of the Y.M.C.A., and Canadian delegate at the World Conference in Cleveland in August, 1931; Governor of Emmanuel College, Toronto, and a Member of the Mission Board,—at Hamilton, Ont., on Aug. 17, aged 55 years.

Smith, George Wilbert, U.F.A. Member of the Alberta Legislature for Red Deer since 1921, and former Mayor of Red Deer,—at Red Deer, Alta., on Aug. 1, aged 76 years.

Snow, Charles Hammett, Inspector in the Fruit Branch of the Federal Department of Agriculture, and was responsible for the development of the "Snow" apple,—at Ottawa, on Oct. 8, aged 69 years.

Stanfield, Hon. Frank, Lieutenant-Governor of Nova Scotia and President of Stanfield's Limited; and a former Conservative Member of the Nova Scotia Legislature,—at Halifax, N.S., on Sept. 25, aged 59 years.

Stapells, Richard George, prominent Church of England organist of Toronto during fifty years,—at Montreal, on Dec. 19, aged 74 years.

Stewart, M.A., (Miss) Harriet, reputed to be the first woman in the British Empire to be awarded a Bachelor of Arts degree (at Mount Allison University, N.B., in 1882); Charter Member of one of the earliest Women's Christian Temperance Unions in Canada,—at Regina, Sask., on Nov. 1, aged 69 years.

Sutherland, Charles Tyrell, Judge of the County and Surrogate Courts of the County of Grey, Ont.; and Second Vice-President of the County Judges' Association,—at Owen Sound, Ont., on Dec. 29, aged 65 years.

Swanson, D. A. J., criminal lawyer and former member of the Oshawa City Council and Board of Education,—at Oshawa, Ont., on Dec. 28.

Temple, LL.D., M.D., C.M., M.R.C.S. (Eng.), James Algernon, a former President of the Ontario Medical Association; for some years lecturer in Medicine at Trinity College; at the University of Toronto, Professor of Obstetrics and Gynæcology; and for a time member of the Senate of the same University.—at Toronto, on Dec. 6, aged 89 years.

Tolley, C.A., William Alfred, former City Auditor for Ottawa,—at Ottawa, on Oct. 28.

Triggs, William, President and Manager of the Triggs Insurance Service Company and former President of the Toronto Life Underwriters' Association,—at Toronto, on Dec. 3, aged 82 years.

Vango, M.D., C.M., H. M., Professor of Medical Jurisprudence and Assistant Pathologist at the University of Alberta,—at Edmonton, Alta., on Dec. 29, aged 36 years.

Von Kunits, Mus.Doc., Luigi, violinist and Conductor of the Toronto Symphony Orchestra, and of the Toronto Conservatory Orchestra; former concert master of the Pittsburg Symphony Orchestra,—at Toronto, on Oct. 8, aged 61 years.

Wakley, W. R., Manager of the Ocean and River Stevedoring Company of New York in Saint John and Montreal; a former Chairman of the Nova Scotia Liquor Commission; and President of the Nova Scotia Liberal Association,—at Saint John, N.B., on Nov. 27, aged 61 years.

Watson, Robert J., Member of the House of Commons for Parry Sound, 1904-08,—at Burk's Falls, Ont., on Oct. 16.

Willetts, D.S.O., Lieut.-Col., Charles Richard Edward, Assistant Adjutant and Quartermaster-General of Military District No. 3; served in the South African and Great Wars,—at Kingston, Ont., on Sept. 1, aged 51 years.

Williams, M.A., D.D., LL.D., D.C.L., Most Rev. David, Archbishop of the Diocese of Huron and Metropolitan of the Ecclesiastical Province of Ontario; Chairman of the Missionary Society of the Church of England; decorated in 1922 by the Government of China in recognition of missionary relief during the famine,—at London, Ont., on Oct. 7, aged 72 years.

Williamson, M.A. (Oxon.), Rev. John, Professor of Classics at the Presbyterian College, Montreal,—at Montreal, on July 14, aged 88 years.

Wilson-Prevost, M.D., C. A., a member of the Faculty of Medicine of Paris and of the New York Academy of Medicine; officer of the French Academy, —at Paris, France, on Dec. 21, aged 62 years.

(From Jan. 1 to June 30, 1932)

Adshead, Herbert Bealey, Labour Member of the House of Commons for Calgary East, 1926-30,—at Calgary, Alta., on May 2, aged 69 years.

Alexander, B.D., Rev. James Lambert, pastor of the Pilgrim United Church and formerly President of the Congregational Union of Canada,—at Hamilton, Ont., on Apr. 22, aged 64 years.

Andrew, Brother, Vice-Principal of De La Salle school, "Oaklands," Toronto, —at Toronto, on Feb. 17, aged 58 years.

Anglin, B.Sc., James Penrose, President of Anglin-Norcross Limited, Contracting Engineers; formerly President of the Montreal Builders' Exchange, and of the Association of Canadian Building and Construction Industries,—near L'Annonciation, Que., on May 15, aged 56 years.

Archibald, K.C., M.A., B.C.L., LL.D., John Sprott, Acting Chief Justice of the Superior Court of Montreal, 1915-22, and a former Professor of Commercial Law at McGill University,—at Montreal, on Jan. 16, aged 89 years.

Aubin, Azarie Adolphe, a former Member of the Ontario Legislature for Nipissing West,—at Sturgeon Falls, Ont., on Mar. 27.

Baker, Clifford L., President and Editor of *The Kentville Advertiser* since 1925,—at Kentville, N.S., on May 11.

Ball, K.C., Major Alfred Servoss, Police Magistrate of Woodstock, Ont.,—at Woodstock, Ont., on Apr. 17, aged 82 years.

Baynes, M.D., Donald, President of the British Electro-Therapeutics Society, London, England; author of medical works; a former Secretary of the Royal Institute for the Advancement of Learning, and also a former Registrar of McGill University,—at London, Eng., on May 6, aged 90 years.

Beaton, M.D., Alexander H., a former Superintendent of the Ontario Hospital at Orillia; a past President of the American Association of Superintendents of Institutions for the Feeble-Minded; Chairman of the Orillia Collegiate Institute Board,—at Orillia, Ont., on Mar. 4, aged 94 years.

Begin, Colonel Joseph V., a former officer of the Royal Canadian Mounted Police; served in the South African War, and in the Great War as Commanding Officer in a Winnipeg Artillery Regiment,—at Atlanta, Ga., U.S.A., on Jan. 26, aged 76 years.

Bethune, M.A., D.C.L., Rev. Charles James Stewart, Professor of Entomology and Zoology at the Ontario Agricultural College, Guelph, 1906-20; Headmaster of Trinity College School, Port Hope, 1870-99; joint founder of the Canadian Entomological Society, and Editor of the *Canadian Entomologist,*—at Toronto, on Apr. 17, aged 93 years.

Biggs, Maurice William, formerly associated with *The Montreal Herald* and *The Gazette*; later on the staff of the British Embassy at Washington and then on that of the French Government in New York,—at London, Eng., on Apr. 5.

Blackader, M.A., M.D., C.M., LL.D., M.R.C.S., Alexander Dougall, *Emeritus* Professor of Pharmacology, Therapeutics and Pediatrics at McGill University, and a former President of the American Pediatric Society,—at Montreal, on Mar. 14, aged 85 years.

Blackwell, Charles Seward, Vice-President of the Toronto General Trusts Corporation, Limited; Chairman of the Dominion Bank of Canada; and Chairman of the Toronto General Hospital Board of Trustees,—at London, England, on June 23, aged 68 years.

Bouillon, Monsignor George, architect, and member of the clergy of the Archdiocese of Ottawa; former Secretary to the first Archbishop of Ottawa; in 1924 was honoured by the Pope with the appointment of domestic prelate,—at Ottawa, on Apr. 7, aged 91 years.

Brebner, B.A., LL.D., James, Registrar, 1893-1930, and formerly Assistant Librarian of the University of Toronto,—at Toronto, on May 5, aged 72 years.

Breton, M.D., Arthème, Professor of Biology at the University of Montreal since 1925,—at St. Hyacinthe, Que., on May 1, aged 37 years.

Broome, Mus.Bac., Mus.Doc., Edward, organizer and leader of the Toronto Oratorio Society; Conductor of the North Wales Male Chorus before Queen Victoria and other members of the Royal Family and also at the Chicago World's Fair in 1893,—at Toronto, on Apr. 28, aged 63 years.

Brown, M.A. (Oxon.), A. Grant, Investment Counsel for H. G. Stanton Company Limited, and formerly Professor of Ancient History at the University of Toronto for more than 20 years,—at Toronto, on May 13.

Bryce, M.A., M.D., Peter Henderson, Chief Medical Officer of the Dominion Department of Health and Indian Affairs, 1904-21; founder and one-time Secretary of the Ontario Department of Health; the first Canadian to be elected President of the American Public Health Association (1900); author, and a former President of the Ottawa Arts and Letters Club,—*en route* to the West Indies, on Jan. 15, aged 78 years.

Burridge, F.A.C.S., Arthur J., Professor of Medicine at Manitoba University,—at Winnipeg, on Mar. 15, aged 57 years.

Butler, K.C., D.C.L., Lieut.-Col. Thomas Page, lawyer; founded and was the first President of the Montreal Military Institute and also the Montreal Amalgamated Rifle Association,—at Montreal, on Mar. 31, aged 86 years.

Caldwell, Thomas Boyd, a former Member of the House of Commons for North Lanark,—at Perth, Ont., on Mar. 26.

Calvin, Hiram A., Member for Frontenac in the House of Commons, 1892-96 and 1900-04,—at Toronto, on Jan. 13, aged 81 years.

Cameron, K.C., Colin S., Conservative Member of the Ontario Legislature for North Grey, 1913-19, and former County Crown Attorney for Grey,—at Owen Sound, Ont., on Jan. 4.

Candee, Charles Newton, President since 1913 and former Managing-Director of the Gutta Percha and Rubber, Limited; Governor of the Toronto Conservatory of Music; Director of the Bank of Commerce; member of the Boards of the Toronto General Hospital and the Hospital for Incurables, and formerly President of the Rubber Association of Canada,—at Toronto, on Jan. 13, aged 71 years.

Capreol, K.C., James Lonsdale, a former Clerk of the Provincial Executive Council of Ontario, and Veteran of the Fenian Raid of 1866,—at Toronto, on Mar. 25, aged 86 years.

Carbonneau, O., a former Member of the House of Commons for L'Islet, Que.,—at Quebec, on Feb. 25.

Casgrain, M.D., Lieut.-Col. H. R., Surgeon of the Essex County Jail at Sandwich, Ont., and Clerk of the local Division Court; member of the Medical Staff of the Department of Soldiers' Civil Re-establishment; Commander of a Canadian field hospital in the Great War,—at Windsor, Ont., on June 16, aged 74 years.

Chauvin, K.C., Antoine, Crown Prosecutor of the Bar of Montreal since 1925; Vice-President of the Young Liberal Association, and former Secretary of the Junior Bar Association, Montreal,—at Montreal, on Jan. 13, aged 33 years.

Clark, M.C., D.S.O., C.M.G., Brig.-Gen. Robert P., formerly member of the brokerage firm of R. P. Clark and Company, Victoria, B.C.; served with distinction in the Boer War and the Great War,—at Victoria, B.C., on Apr. 8, aged 58 years.

Clarke, Samuel Robinson, author of *Clarke's Criminal Law* and *Clarke's Magistrate's Manual,*—at Toronto, on Apr. 20, aged 86 years.

Clarke, Wallace W., part-owner of The Bear River Trading Company and Governor of Acadia University,—at Bear River, N.S., on Mar. 15, aged 78 years.

Congdon, LL.B., Frederick Tennyson, member of the Bars of Ontario, Nova Scotia, Saskatchewan, Alberta, British Columbia and the Yukon Territory; a former Commissioner of the Yukon; Member of the House of Commons for the Yukon, 1909-11; and formerly editorial writer on *The Halifax Chronicle,*—at Ottawa, on Mar. 13, aged 73 years.

Copeland, (*née* Agnes Grote) Mrs. Jacob J., poetess and descendant of Grote, the famous writer of Greek History; prisoner of War in Germany during the Great War,—at Toronto, on Mar. 19, aged 82 years.

Cottingham, William C., Managing-Director of the Sherwin-Williams Company of Canada, Limited,—at Montreal, on Apr. 8, aged 33 years.

Craig, M.A., Ph.D., James Alexander, a former Professor of Semitic Languages at the University of Toronto; and head of the Semitic Department of Michigan University, 1893-1912,—at Toronto, on May 15, aged 77 years.

Crawford, Thomas, Registrar of Deeds for Toronto since 1924; a former Speaker of the Ontario Legislature and Member without Portfolio of the Ontario (Ferguson) Cabinet, 1923-24,—at Toronto, on Feb. 9, aged 84 years.

Cruise, Robert, a former Member of the House of Commons for Dauphin, and Councillor and Reeve on the Municipal Council, 1903-11,—at Dauphin, Man., on Jan. 19, aged 64 years.

Cunningham, K.C., Arthur Breden, senior partner of Cunningham and Smith, and frequently chosen by the Ontario Government as Crown Prosecutor, at Kingston, Ont., on May 2.

Daly, William J., founder and former President of the manufacturing firm of Daly and Morin, Limited, Montreal,—at Montreal, on Jan. 11, aged 62 years.

Dandeno, A.M., Ph.D. (Harvard), James B., Director of Agricultural Education for Ontario for 18 years; formerly an Instructor in Botany at the Harvard Summer School and later at the Michigan Agricultural College; Director of the Guelph Summer School for Teachers of Agriculture and a Lecturer on methods of agricultural education at the College of Education, University of Toronto; author of a teachers' manual on agricultural education,—at Toronto, on Mar. 13, aged 70 years.

Davidson, K.C., William, a member of the legal firm of Kerr, Davidson, Paterson and McFarland of Toronto; a former President of the County of York Law Association,—at Toronto, on Mar. 12, aged 86 years.

Day, Ph.D., Isaac, Inspector of Schools in the County of Simcoe, 1887-1931,—at Toronto, on Apr. 25, aged 74 years.

Denison, Lieut.-Col. Clarence A., a former Chief Accountant of the Standard Bank of Canada for forty-one years; veteran of the Fenian Raid and the North West Rebellion,—at Toronto, on June 24, aged 81 years.

Dennison, K.C., Harry L., senior member of the legal firm of Shaffner, Dennison and Outhit of Kentville,—at Kentville, N.S., on May 11, aged 66 years.

Dickenson, John, last of the "five Johns" who, by establishing the Dominion Power and Transmission Company, brought electricity to Hamilton; former Member for South Wentworth in the Ontario Legislature,—in Glanford Township, Ont., on Jan. 3, aged 84 years.

Dixon, James, a former Vice-President and Treasurer of the Dominion Power and Transmission Company; founder of the Canadian Order of Chosen Friends,—at Hamilton, Ont., on Jan. 23, aged 79 years.

Dixon, D.D., Rev. Richard Ferguson, a former editorial writer for *The Canadian Churchman,* Toronto; Canadian correspondent for *The Church Times* and *Church Guardian,* London, and for several United States journals,—at Wolfville, N.S., on Feb. 20, aged 80 years.

Dobbin, Francis Hincks, Managing-Director of *The Peterboro' Review,* 1887-1914, and former President of the Daily Section of The Canadian Press Association,—at Peterborough, Ont., on Jan. 30, aged 81 years.

Dollar, A. Melville, head of the Canadian-American Shipping Company, Limited; a former President of the Canadian Chamber of Commerce, and son of Captain Robert Dollar (below),—at Vancouver, B.C., on May 31, aged 53 years.

Dollar, Captain Robert, famous shipping and lumber magnate; President of the Dollar Steamship Company, the Robert Dollar Company, the Dollar Portland Lumber Company and many others,—at San Rafael, Calif., U.S.A., on May 16, aged 88 years.

d'Ornano, Louis P. M. S., Chief Translator of the Dominion Department of Marine,—at Ottawa, on May 3.

Doward, Edgar Redgrave, organist at St. Stephen's Anglican Church, Toronto, for 27 years, and conductor of boys' choirs,—at Toronto, on Mar. 22, aged 81 years.

Doxsee, B.A., B.D., Egerton Roswell, head of the Classics Department of Regina College and former Dean and Registrar,—at Regina, Sask., on May 26, aged 63 years.

Duffy, D.S.C., Rev. Francis P., Pastor of Holy Cross Church, New York, and Chaplain of the United States 42nd Division during the Great War; formerly Professor of Philosophy in St. Joseph's Seminary, Dunwoodie, N.Y.,—at New York, U.S.A., on June 26, aged 61 years.

Eaton, Joseph Howe, shipping and lumber magnate and merchant of Nova Scotia,—at Toronto, on May 26, aged 83 years.

Edmison, M.D., J. H., Independent Member of the Manitoba Legislature for Brandon since 1922,—at Brandon, Man., on Mar. 22, aged 59 years.

English, M.D., W. M., a former Superintendent of the Ontario Hospitals at Hamilton and Brockville; a former President of the Ontario Neuro-Psychiatric Association and of the American Psychiatric Association,—at Oxford, England, on May 19, aged 70 years.

Erenhaus, Leo, President of the Bidgood Consolidated Mines Limited,—at Buffalo, N.Y., on May 14, aged 47 years.

Fallis, D.D., Rev. Samuel Wesley, Book Steward and General Manager of the United Church Publishing House,—at Toronto, on Feb. 7, aged 65 years.

Fergusson, G. Tower, a former President of the Toronto Stock Exchange; first Chairman of the Canadian Council of the Christian Endeavor movement of the Presbyterian Church; former President of the Y.M.C.A.; represented the Presbyterian General Assembly on the Federal Property Commission in 1925,—at Toronto, on June 17, aged 76 years.

Fielding, K.C., George H., a former Stipendiary Magistrate and Judge of the City Court of Halifax for 30 years,—at Halifax, N.S., on May 19, aged 76 years.

Flavelle, Lady (*née* Clara Ellsworth), wife of Sir Joseph Wesley Flavelle, Bart.; actively connected with women's organizations and prominent in philanthropic work,—at Toronto, on Feb. 8, aged 73 years.

Foley, B.A., D.D., Rev. James Thomas, Editor of *The Catholic Record* for 20 years, and Chaplain to Mount St. Joseph's Orphanage, London,—at London, Ont., on Mar. 5, aged 68 years.

Fontaine, F. E., founder and President of the Canadian Advertising Agency Limited; a former Professor of Publicity at the School of Higher Commercial Studies, Montreal; and a former President of the Canadian Association of Advertising Agencies,—at Montreal, on Mar. 1, aged 64 years.

Fraser, Alexander, Chief Engineer of the Roads Department of the Province of Quebec, and formerly Professor of Highway Engineering and a Director of l'Ecole Polytechnique,—at Montreal, on June 11, aged 51 years.

Galliver, George Alfred, financier (of Ingersoll, Ont.); formerly scientific representative of Parke, Davis and Company; President of the Domestic Sewing Machine Company, the American Writing Paper Company, the Central States Electric Company, and the American Cralinoil Corporation, —at Tavares, Florida, U.S.A., on June 22, aged 60 years.

Galt, William Herbert, a former Director in Charge of Sales of the Gutta Percha and Rubber Limited,—at Montreal, on Apr. 19, aged 60 years.

Gammell, B.A., LL.D., Isaac, author of a school history of Canada; member of the Protestant Committee of the Council of Public Instruction and a former President of the Association of Protestant Teachers of the Province of Quebec,—at Morin Heights, Que., on May 24, aged 71 years.

Gandier, D.D., Rev. Alfred, Principal of Emmanuel College, Toronto; a former Principal of Knox College and Moderator of the Presbyterian General Assembly, 1923,—at Toronto, on June 13, aged 70 years.

George, William Kerr, Vice-President of the North American Life Assurance Company; First Vice-President and Chairman of the Board of the Dominion Woollens and Textiles, Limited; Director of the Canadian Bank of Commerce; President, the Canadian Manufacturers' Association, 1904; one of the 18 men who signed the Manifesto calling upon the Laurier Government to abandon the Reciprocity Pact of 1911,—at Toronto, on June 26, aged 70 years.

Gibbens, William, Editor of *The Cornwall Standard* for 44 years; formerly on the Editorial staff and later Manager of *The Citizen,* Ottawa,—at Cornwall, Ont., on Feb. 20, aged 77 years.

Girroir, K.C., Hon. Edward Lavin, Member of the Senate of Canada for Antigonish, N.S.,—at Ottawa, on May 8, aged 60 years.

Glashan, LL.D., F.R.S.C., John Cadenhead, author of scientific and mathematical text books for public and high schools; a former member of the Board of Civil Service Examiners; Inspector of Public Schools of Ottawa; and, for a time, Vice-President of the Alumni Association of the University of Toronto, President of the University of Toronto Club of Ottawa and of St. Andrew's Society,—at Ottawa, on Mar. 14, aged 88 years.

Godfrey, M.B., L.R.C.P. and S., L.F.P. and S., Forbes Elliott, Minister of Health and Labour for the Province of Ontario (Ferguson Cabinet), 1923-30, and Member of the Provincial Legislature for a quarter of a century,—at Mimico, Ont., on Jan. 6, aged 64 years.

Gouinlock, George W., architect of Toronto,—at Toronto, on Feb. 13, aged 70 years.

Goulet, Maxime, Minister of Agriculture for the Province of Manitoba during the Norquay Government, 1878-1887,—at Winnipeg, Man., on Jan. 17, aged 76 years.

Guest, Walter Scott, Assistant Professor in Electrical Engineering, in the Faculty of Science of the University of Toronto,—at Toronto, on Apr. 4, aged 58 years.

Hall, Lieut.-Col. John Albert, a former lecturer of Chemistry at the Manchester (England) Polytechnic School; one of the founders of the Victoria Chemical Works which was later merged with the Canadian Explosives, Limited, and eventually became Canadian Industries, Limited,—at Victoria, B.C., on May 18, aged 63 years.

Hamilton, John H., associated at one time with the Intercolonial Railway and the Halifax and South-western Railway and in 1879 with the laying out of the city of Brandon, Man.,—at Amherst, N.S., on Feb. 1, aged 68 years.

Hanson, Charles Stanley, partner of the brokerage firm of Hanson and Macaulay; served with distinction as an officer in the Great War,—at Montreal, on Feb. 17, aged 42 years.

Harcourt, K.C., LL.D., Frederick Weir, member of the law firm of McCarthy, Osler, Hoskin and Harcourt; a former Official Guardian of the High Court of Justice of Ontario; a former Treasurer of the Law Society of Upper Canada; and a Past Grand First Principal of the Grand Chapter of Canada, Royal Arch Masons,—at Toronto, on May 3, aged 78 years.

Hastings, M.C., Lieut.-Col. Victor J., Commander of the 16th Battalion, 1916, during the Great War,—at Winnipeg, Man., on Jan. 11, aged 44 years.

Hay, F. Wellington, President of Hay Brothers, grain dealers; formerly Leader of the Liberal Party in Ontario, and Member of the House of Commons for Perth North, Ont., 1926-30,—at Listowel, Ont., on Apr. 1, aged 67 years.

Henders, Richard C., a former Member of the House of Commons for Macdonald, Man., and for several years President of the Manitoba Grain Growers' Association,—at Winnipeg, Man., on May 2, aged 78 years.

Henderson, M.A., Elmes, head of the law firm of Elmes Henderson and Son of Toronto; Member of the Corporation of Trinity College; and for many years a delegate to the Church of England Synod of the Diocese of Toronto,—at Toronto, on May 10, aged 92 years.

Henderson, M.A., LL.D., John, a former Principal of St. Catharines Collegiate Institute for 25 years, and one-time President of the Ontario Educational Association; author and editor of high school text books,—at Toronto, on May 1, aged 86 years.

Hodgins, A. King, a former Member of the House of Commons for Middlesex, Ont.,—at Lucan, Ont., on May 15.

Holgate, Henry Watson, Manager of the Serge Island Sugar Plantation,—at Jamaica, B.W.I., on Apr. 1, aged 43 years.

Holmes-Orr, Thomas, educationist; founder and Principal for over 30 years of Wykeham House School, Montreal,—at Montreal, on Mar. 10, aged 70 years.

Howey, Lorne, veteran prospector and discoverer of the Howey Gold Mine at Red Lake, Ont.,—at Winnipeg, Man., on May 30.

Hughes, Brig.-Gen. John, Inspector of internment camps during the Great War; served with the Midland Battalion in the North West Rebellion,—at Bowmanville, Ont., on Apr. 13, aged 82 years.

Jacques, B.Sc., Ph.D., William W., a Fellow of the American Academy of Science; at one time a lecturer in Electrical Engineering at the Massachusetts Institute of Technology, and was associated with Dr. Alexander Graham Bell in the perfecting of the telephone,—at Chester, N.S., on June 24, aged 76 years.

Jamieson, Robert, historian, poet and *littérateur*; Divisional Court Clerk for 59 years,—at Perth, Ont., on Apr. 24, aged 84 years.

Klugh, M.A., Ph.D., A. Brooker, Associate Professor of Biology at Queen's University,—at Kingston, Ont., on June 1.

Knowles, R.C.A., F. McGillivray, noted international artist,—at Toronto, on Apr. 9, aged 74 years.

La Brecque, D.Theol., Monsignor Michel Thomas, Titular Bishop of Heliopolis and former Bishop of Chicoutimi, Que.; a former Professor of Moral Theology at Laval University and Director of the Quebec High Seminary,—at Chicoutimi, Que., on June 3, aged 82 years.

Lance, Chief Buffalo Child Long, Indian author and journalist,—at Los Angeles, Cal., U.S.A., on Mar. 20, aged 36 years.

Leacock, Thomas J., President of the Leacock Manufacturing Company of Belleville, N.J., U.S.A.,—at New York, U.S.A., on Mar. 15, aged 65 years.

Legris, Hon. Joseph Hormidas, a Member of the Senate of Canada for 28 years, and former Member of the House of Commons for Berthier,—at Hull, Que., on Mar. 6, aged 81 years.

Leonard, K.C., Charles J., member of the firm of Jones and Leonard, barristers; for many years Solicitor for the Canada Permanent Mortgage Corporation and the Canada Permanent Trust Company,—at Toronto, on Feb. 21, aged 76 years.

Levinsky, Louis, founder and President of the Goel Tzedec Synagogue, the first in Toronto; a leader of the Canadian Zionist Movement; an active worker in the establishment of a Talmud Torah as a centre of Jewish education and ideals, and a former Justice of the Peace,—at Toronto, on Jan. 3, aged 70 years.

Luther, Walter E. J., partner of the brokerage firm of Craig, Luther and Company, President of the Montreal Stock Exchange in 1931 and formerly Financial Agent for the American Express Company in Canada; President of the Hudson Land Development Company,—at Hudson Heights, Que., on May 30, aged 51 years.

Macdonald, M.D., Lieut.-Col. Robert Tyre, for many years Chief Physician of the Eastern Division of the Canadian Pacific Railway Company,—at Montreal, on Feb. 23, aged 82 years.

MacFarlane, George, screen character actor and singer,—at Hollywood, Cal., U.S.A., on Feb. 23, aged 52 years.

MacMillan, B.A., D.D., John Walker, Professor of Sociology at Victoria University, Toronto; Chairman of the Ontario Minimum Wage Board, and a Member of the Duncan Coal Commission, 1932,—at Toronto, on Apr. 16, aged 63 years.

MacNeill, Hon. Leonard, Minister of Public Works for Prince Edward Island,—at Summerside, P.E.I., on Feb. 23, aged 48 years.

Magnan, Rev. J. P., one of the founders and First Provincial of the Oblate order in Manitoba,—at St. Boniface, Man., on May 5, aged 73 years.

Marcellus, John P., a former Member of the Alberta Legislative Assembly for Pincher Creek,—at Pincher Creek, Alta., on May 31.

Marshall, M.A., F.R.S.E., David, a former Professor of Mathematics in the Imperial College of Engineering of Japan,—at Kingston, Ont., on Mar. 14, aged 83 years.

Maunsell, Brig.-Gen. George S., Director-General of Engineering Services, C.E.F., 1916,—at Ottawa, on Apr. 5, aged 67 years.

McAlister, M.D., Duncan Hamilton, a former Member of the House of Commons for Kings-Albert, N.B.,—at Sussex, N.B., on Mar. 6, aged 60 years.

McCormick, B.A., Malcolm, educationist and linguist; "founder of the first Canadian Club in the Dominion" (*The Evening Telegram,* June 14, 1932); and founder of the Guelph Business College,—at Guelph, Ont., on June 10, aged 77 years.

McEvoy, Bernard, journalist, poet and artist, for 26 years on *The Vancouver Province* under the name of "Diogenes"; for ten years on the staff of *The Mail and Empire,*—at Vancouver, B.C., on Feb. 16, aged 90 years.

McGowen, Rev. Arthur, Provincial Bursar of the Oblates of Mary the Immaculate in the Province of Quebec; for some years Bursar at the Sacred Heart Junior College in Ottawa and, later, Bursar of Ottawa University,—at Montreal, on June 6, aged 61 years.

McLachlan, Duncan, President of the Canada Business College at Chatham for 54 years,—at Chatham, Ont., on Feb. 29, aged 79 years.

McMillan, J. F., Treasurer and Manager of the Kingston Ship-building Company,—at Kingston, Ont., on June 14, aged 52 years.

McMillan, Thomas, Liberal Member of the House of Commons for Huron South since 1925, and a well-known lecturer at farmers' institute meetings throughout the Dominion,—at Clinton, Ont., on June 7, aged 68 years.

McNeill, Alexander, former Member of the House of Commons for North Bruce,—at Wiarton, Ont., on Apr. 18, aged 89 years.

McNulty, Thomas W., senior partner of the brokerage firm of L. J. Forget,—at Montreal, on Apr. 23, aged 66 years.

Miles, J.P., Hon. Henry, Member of Quebec Legislative Council for Victoria, since 1923; Consul-General for Paraquay in Canada; and President of the Anglo-Canadian Pharmaceutical Company Limited, the National Hydro-Electric Company Limited, the Nestle's Food Company of Canada, and of other firms,—at Montreal, on June 6, aged 75 years.

Miller, Hugh K., a former Liberal Member of the Saskatchewan Legislature for Lumsden,—near Lumsden, Sask., on Mar. 11, aged 57 years.

Mills, W. A., a former Editor of *The Halifax Herald* for 21 years,—at Halifax, N.S., on Mar. 4, aged 79 years.

Mitchell, M.D., C.M., Robert Menzies, Superintendent of the Weyburn Mental Hospital, 1919-29; a former Member of the Saskatchewan Legislature for Weyburn and Speaker of the Legislative Assembly, 1917-19,—at Weyburn, Sask., on Feb. 6, aged 66 years.

Mitchell, B.C.L., K.C., Victor Evelyn, author of several legal works; and senior partner of the legal firm of McGibbon, Mitchell and Stairs; also Honorary President of the Canadian Prisoners' Welfare Association; and Director of several industrial corporations,—at Montreal, on May 29, aged 67 years.

Montgomerie, O.B.E., C.B.E., Lieut.-Col. Alexander, Manager of the Halifax office of Furness Withy and Company Limited; a former President of the Halifax Board of Trade; Chairman of the Transportation and Port Facilities Committee and Chairman of the Steamship interests; formerly a National Councillor of the Canadian Chamber of Commerce and a member of the Transportation Committee; a Member of the Nova Scotia Legislative Assembly, 1925-28, and an officer in the Great War,—at Halifax, N.S., on June 3, aged 49 years.

Morgan, James, President of Henry Morgan and Company, Limited, of Morgan Realties, Limited, and of the Morgan Trust Company of Montreal, —at Bermuda, B.W.I., on May 19, aged 85 years.

Morrissy, Charles J., Member of the House of Commons, 1926-30, and formerly Member of the New Brunswick Legislative Assembly,—at Newcastle, N.B., on Apr. 22, aged 51 years.

Mullins, C.SS.R., Rev. Francis P., Superior of the Redemptorist Community of Yorkton, Sask.,—at Los Angeles, Cal., U.S.A., on Apr. 29, aged 46 years.

Mulliss, William, Managing Editor of *The Hamilton Spectator* for 20 years, and a former Industrial Commissioner of Hamilton,—at Hamilton, Ont., on Jan. 14, aged 55 years.

Mulloy, D.C.M., B.A., Lieut.-Col. Lorne W., barrister, a former Professor of Military History at the Royal Military College, Kingston; Veteran of the South African War during which he lost his sight,—at Iroquois, Ont., on Feb. 21, aged 53 years.

Munro, John Knox, editorial writer and Canadian Parliamentary correspondent for *The Evening Telegram,* Toronto,—at Toronto, on Jan. 4, aged 65 years.

Murphy, K.C., Lieut.-Col. Thomas J., Governor of the University of Western Ontario; a Member of the Ontario Mothers' Allowance Commission; formerly partner in the law firm of Magee, McKillop and Murphy,—at London, Ont., on Feb. 9, aged 77 years.

Murray, Major John Alexander, Honorary President of the Queen's Own Rifles Association; formerly Vice-President of the Murray-Kay Company Limited; and a former President of the Toronto Carpet Company Limited, —at Toronto, on Mar. 5, aged 77 years.

Murray, William Parkyn, Vice-President of the Toronto United Garages, Limited; a Director of the Burlington Steel Company Limited, Hamilton; former President and Manager of the Murray-Kay Company, Limited; and an officer in the South African War,—at Toronto, on June 6, aged 56 years.

Nelson, Francis, Steward and official representative of the Canadian Racing Association; former President of the Ontario Athletic Commission; founder of the Amateur Athletic Union of Canada, and Sports Editor of *The Globe,* Toronto, for many years,—at Balboa, Canal Zone, on Apr. 14, aged 73 years.

Newnham, Venerable Archdeacon O. S., Secretary of the Fredericton Diocesan Synod of the Church of England for 43 years,—at St. Stephen, N.B., on May 11, aged 84 years.

Nicholson, Donald, former Conservative Member of the House of Commons for Queens County, P.E.I.,—at Charlottetown, P.E.I., on Apr. 30, aged 82 years.

Nosworthy, Herbert James, Chief Inspector of the Bureau of Child Protection for Saskatchewan,—at Regina, Sask., on Feb. 25, aged 57 years.

Papineau, K.C., Louis J., formerly Member of the House of Commons for Beauharnois for 17 years, and a Member of the Legislative Assembly of Quebec, 1927-31,—at Valleyfield, Que., on Apr. 24, aged 71 years.

Paterson-Smyth, LL.D., Litt.D., D.C.L., Ven. Archdeacon John, writer of religious works and formerly rector of St. George's Parish Church (Church of England), Montreal, for 20 years,—at Montreal, on Feb. 14, aged 80 years.

Paton, B.A., LL.B., K.C., Hon. Vincent John, *Puisne* Judge of the Supreme Court of Nova Scotia. and formerly Chairman of the Nova Scotia Workmen's Compensation Board,—at Halifax, N.S., on May 17, aged 65 years.

Patterson, Lieut.-Col. A. T., Vice-President and General Manager of the Royal Guardians Life Assurance Company,—at Longueuil, Que., on Jan. 21, aged 72 years.

Patton, Frank L., formerly Director and Assistant General Manager of the Dominion Bank, and Director of the Great-West Life Assurance Company, —at Winnipeg, Man., on Mar. 24, aged 74 years.

Penny, Joseph C., Manager of the Nova Motors Limited; President of the firm of John Penny and Sons, Limited, of Ramea, Newfoundland; and a former Manager of the Halifax Branch of the Dunlop Rubber Company Limited,—at Halifax, N.S., on Mar. 12, aged 41 years.

Purdy, A. C., President of Purdy Brothers, Limited, marine engineers,—at Halifax, N.S., on Apr. 3, aged 58 years.

Reid, James G., former Mayor of St. Lambert, Que., and a Montreal Harbour Commission official for 27 years,—at Montreal, on Feb. 8, aged 72 years.

Renaud, Lieut.-Col. Joseph Adolphe, Special legal adviser, Federal Department of Justice and former Assistant Deputy Minister of Justice,—at Ottawa, on Jan. 20, aged 70 years.

Robertson, B.A.(Oxon.), Irving Earle, Editor-in-Chief of *The Evening Telegram,* Toronto, and Chairman of the Board of the Hospital for Sick Children,—at Toronto, on Jan. 4, aged 49 years.

Robertson, J. M., founder of the J. M. Robertson Knitting Company Limited, —at Gananoque, Ont., on May 4, aged 67 years.

Robitaille, Clement, Liberal Member of the House of Commons for Maisonneuve, and prominent Montreal lawyer,—at Montreal, on Jan. 16, aged 58 years.

Roche, Rev. Nicholas, Superior of St. Michael's College (University of Toronto), 1903-09; Provincial of the Community of the Fathers of St. Basil, 1921-24,—at Owen Sound, Ont., on May 16, aged 62 years.

Saunderson, Arnold Oldfield, formerly Manager of the Carritte Paterson Manufacturing Company of Sydney and Halifax, Nova Scotia, and District Manager for the Maritime Provinces of the Alexander Murray Company, Limited,—at Halifax, N.S., on Apr. 22, aged 53 years.

Scharschmidt, Major Percy F., Provincial Supervisor of Unemployment, and former Superintendent of the River Division of the White Pass and Yukon Route; served in the Riel Rebellion, and supervised the movement of river boats in Mesopotamia during the Great War,—at Vancouver, B.C., on June 10, aged 63 years.

Schmidt, S.J., Rev. John, Professor of Philosophy and Theology at St. Mary's College and the Jesuit Scholastic, Montreal,—at Montreal, on May 2, aged 78 years.

Scott, James Guthrie, a former Secretary and Manager of the Quebec and Lake St. John Railway; later, General Manager of the Great Northern Railway and one-time President of the Quebec Board of Trade,—at Quebec, on Mar. 23, aged 85 years.

Slack, Herbert Haslam, President of the Wentworth Radio and Auto Supply Company Limited, and founder of radio station CKOC, the second broadcasting station in Canada,—at Hamilton, Ont., on Jan. 25, aged 37 years.

Smith, I.S.O., William, writer, and Deputy Keeper of Public Records of the Dominion Archives; formerly Assistant Superintendent of Mail Service in Canada and Secretary of the Post Office Department,—at Ottawa, on Jan. 28, aged 72 years.

Southam, William, founder and President of the Southam chain of newspapers and of the Southam Press at Montreal and Toronto, and founder of the Pure Milk Company of Hamilton,—at Hamilton, Ont., on Feb. 27, aged 88 years.

Spencer, David S., Director of David Spencer's, Limited, Victoria; Vice-President and Director and former President of the British Columbia Agricultural Association,—at Victoria, B.C., on June 21, aged 62 years.

Stafford, Lawrence, Solicitor for the Post Office Department, Ottawa,—at Ottawa, on May 28.

Stewart, Robert William, publisher of the *Selkirk Record* and the *Eastern Manitoba Record,* Beausejour; formerly on the staff of *The Manitoba Free Press* and *The Regina Leader,*—at Selkirk, Man., on Mar. 6, aged 74 years.

Strathy, H. Gordon, a former President and at the time of his death the only surviving charter member of the Montreal Stock Exchange,—at Montreal, on Apr. 20, aged 84 years.

Taché, Joseph B. de la Broquerie, General Librarian of Parliament,—at Ottawa, on Mar. 21, aged 74 years.

Taylor, William James, proprietor of *The Sentinel-Review,* Woodstock, and a former publisher of the *Rod and Gun* in Canada; formerly President and Director of the Canadian Press Association,—at Toronto, on Jan. 19, aged 61 years.

Tessier, B.A., LL.M., Hon. Auguste Maurice, Judge of the Superior Court of Quebec; formerly Crown Attorney for Rimouski, Que., and a Member of the Quebec Legislative Assembly for Rimouski, 1912-22,—at Quebec, on May 26, aged 53 years.

Tredway, Dempster, well-known railroad and irrigation contractor; also prominent in mining development in British Columbia,—at Edmonton, Alta., on Feb. 20, aged 66 years.

Troop, Rev. George Osborne, Canon of the Church of England; formerly rector of St. Martin's Church, Montreal, and Canon of Christ Church Cathedral, Montreal,—at Halifax, N.S., on Jan. 11, aged 77 years.

Underhill, B.A.(Camb.), Rev. Harold J., Canon of the Church of England; and Chaplain to the Bishop of New Westminster,—at Vancouver, B.C., on Feb. 14, aged 79 years.

Van der Voort, Morley Punshon, barrister, and Secretary of the McIntyre Porcupine Mines, Limited,—at Bond Lake, Ont., on Mar. 28, aged 62 years.

Waddell, John Bell, Vice-President of Sir Mortimer Davis (Incorporated), and President of Canadian Industrial Alcohol Company Limited,—at Montreal, on June 1, aged 65 years.

Wallace, Lieut.-Col. Wellington, Branch Manager of the Imperial Bank of Canada; veteran of the North West Rebellion; a former Commander of the Peel Regiment, and for years on the staff of the Home Bank of Canada (defunct),—at Toronto, on May 19, aged 75 years.

Walton, George A., General Passenger Agent of Eastern Lines of the Canadian Pacific Railway Company,—*en route* to England, on May 18, aged 50 years.

Watts, M.D., Lieut.-Col. Frederick C., served with the University of Toronto General Hospital Corps, No. 4, in Salonica and Great Britain during the Great War,—at Toronto, on Apr. 12, aged 51 years.

Weller, M.E.I.C., John Laing, noted Canadian engineer in charge of the surveys, design and construction of the Welland Ship Canal; and a former official of the Dominion Department of Railways and Canals,—at Hamilton, Ont., on May 24, aged 70 years.

Williams, M.D., F.R.C.S., LL.D., Hadley, head of the Department of Surgery at the University of Western Ontario and examiner in surgery for the Dominion Medical Council,—at London, Ont., on Feb. 23.

Willoughby, Charles, President of the Saskatchewan Life Insurance Company and Director of many financial organizations,—at Regina, Sask., on Mar. 18, aged 75 years.

Wolverton, Newton, member of the first Senate of the University of British Columbia; decorated for bravery by Abraham Lincoln during the American Civil War, and later assisted in bringing to justice the latter's assassin,—at Vancouver, B.C., on Jan. 31, aged 86 years.

Yorath, Christopher J., President and Managing Director of the Dominion Gas and Electric Corporation and of the Canadian Western Natural Gas, Light, Heat and Power Company, Limited,—at Calgary, Alta., on Apr. 2, aged 52 years.

Young, Alfred James, pioneer in the development of the resources of Northern Ontario, and a former President of the Ontario Liberal Association,—at Toronto, on June 8, aged 65 years.

NATIONAL ORGANIZATIONS

Industry. Following a tour of the Northland, including the new Port of Churchill, which had been sponsored by the Association, members of the Canadian Chamber of Commerce met for their 6th Annual Convention at Regina, Sask., Sept. 7-10, 1931. The Report of the Secretary, W. McL. Clarke, reflected the increasing activities of the Chamber and indicated the extent of its influence throughout Canada. The Report stated that of the fourteen objectives approved by the 1930 Convention, twelve had been successfully accomplished and two remained under advisement. Two important trade missions had been undertaken by the Chamber since the last Convention. One, consisting of 38 men and women, under the chairmanship of John M. Imrie, was to Japan and China from Oct. 16 to Dec. 12, 1930; and the other, in co-operation with the Canadian Manufacturers' Association, was to Latin-America from Feb. 21 to Apr. 11, 1931; J. H. Woods, President of the Canadian Chamber of Commerce, and Elmer Davis, President of the Canadian Manufacturers' Association, headed the group of 150 members of the Mission, and Rt. Hon. Sir George H. Perley, K.C.M.G., represented the Canadian Government. It was stated that gratifying results of this Mission were being evidenced. An invitation had been extended to Argentine to send a delegation to Canada with a view to becoming acquainted with Canadian conditions and commercial resources. An interim report on the existing Soviet system in Russia with aims, objects and results so far achieved was presented to the National Executive for consideration; also a survey of Communist activity in Canada which had been made during the year. It was reported that Board of Trade and Chamber of Commerce affiliations totalled 212, an increase of 10 in 1930-31; that patron and honorary membership had increased by 12 to 152, and associate membership to 8; correspondence transmitted approached 10,000 letters and over 18,000 serial letters. Of interest during the year were the two occurrences: the presentation of a silver trophy to the Japanese Rugby Union by the Canadian Chamber, as a gesture of goodwill; and the election of William Birks, past-President of the Canadian Chamber of Commerce, as Honorary Treasurer of the Federation of Chambers of Commerce of the British Empire, the first appointment of this kind from the overseas Dominions. George C. McDonald, Chairman of the Executive, addressed the Convention on "The Canadian Business Challenge," and a scheme to provide relief work by a Federal Employment Fund was urged by J. P. Anglin, Montreal. It proposed: (a) contributions to the fund by employees in normal industry and by employers equal to the total assessed against employees; (b) administration of the plan by a Federal commission; (c) all relief works to be non-productive, nothing produced for sale, thereby putting a premium on productive industry; and (d) relief work wages to be considerably below those paid on normal work, and such relief work to cease in prosperous times. Other important speakers were: Hon. J. T. M. Anderson, Hon. J. E. Brownlee, Hon. H. H. Stevens, Hon. John Bracken, C. L. Burton, J. H. Woods, James A. Richardson, and W. Sanford Evans. Among the officers elected for the following year were: President, J. H. Woods, Calgary, and Chairman of the Executive, George C. McDonald, Montreal. W. McL. Clarke, Montreal, was Secretary.

The President of the Border Chamber of Commerce, Dr. J. M. Young, in his Annual Address covering the year 1931, stated that during the 55 years of the Chamber's existence it had "probably never been called upon to meet so many pressing emergencies of varied character in any single year as in 1931 . . . It tried to perform the customary duties of a Chamber together with certain obligations entailed in its programme of extensive tourist, convention, and industrial activities." In addition, it was called upon

to provide leadership, organization and staff assistance to various emergencies as they arose. The Annual Report presented by the Secretary-Manager recorded the formation of an Industrial Committee who had as their objective the establishing of branch plants in the Border Cities of Canada. Of the 200 United States companies called upon, a total of 36 companies started operations or made initial arrangements in 1931. Employment by these companies, it was reported, would take care of a large number of debarred commuters. Twenty Conventions were held in the Border Cities during the year with an attendance of 23,294. In addition to shorter-time meetings the total number of visitors was 31,339—six times the attendance of the banner year 1929. The Tourist Committee noted an increase in tourist trade also, a survey showing that 24.3 per cent. of United States tourists stopped for awhile in the Border Cities, and that, according to Government statistics, approximately $20,000,000 of United States money was spent in Essex County in the year. The Committee in charge of Customs recommended to the Canadian Government, automobile regulations and tariffs which were finally adopted. The Unemployment Committee, to whom it was apparent that no plan could provide work for the thousands of debarred commuters as well as unemployed from their own factories, formed The Border Citizens' Service Committee of Relief. Much negotiating and interviewing was carried on during the first of the year in connection with the debarring of Canadian commuters, but with little result, 200 commuters only, of the thousands debarred, being readmitted. Officers for the year 1932 were as follows: President, Dr. J. M. Young; Vice-President, D. M. Eagle; Treasurer, C. P. McTague; and Secretary-Manager, Justus Miller.

The 89th Annual Report of the Montreal Board of Trade was presented by the retiring President, Norman J. Dawes, at the Annual Meeting on Jan. 26, 1932. General conditions in Canada were analysed by the President and a review given of the activities of the Board during the year. The latter included a summary of the resolutions submitted to the Federal and Provincial (Quebec) Governments and a statement as to the result of such action. Other activities during the year were the successful organization of the Junior Board of Trade and the formation of a Montreal branch of the British Trade Association, which was composed of Montreal representatives of British firms and of importers of British goods; the Branch had G. Laffoley as President. Three scholarships had been presented by the Board during the year. Mr. Dawes, in his address to the Annual Meeting, expressed vigorous opposition to Canada's taking part with the United States, at the existing juncture of Dominion affairs, in the canalization and power development of the St. Lawrence. R. P. Jellett, General Manager of the Royal Trust Company was appointed President of the Board for 1932; Henry W. Morgan was 1st Vice-President; R. J. Magor, 2nd Vice-President; and Henry G. Birks, Treasurer. J. Stanley Cook was to continue as Secretary.

A Report of the Council on the activities of the Board of Trade of Toronto during the year 1931 was presented at the Annual Meeting on Jan. 25, 1932. Attention was drawn to the splendid response to the National Service Loan; to the increase in saving deposits and to the fact that during periods of depression the activities of the Boards of Trade generally became more pronounced. The Reports of the several Committees were presented to the Meeting for consideration which were of Federal, Provincial and Municipal interest. Recommendations along civic lines were: a municipal air port for Toronto; an annexation and metropolitan area; and taxi cab regulations. The retiring President, C. H. Carlisle, in the course of his Annual Address, referred to Canada's future regarding world trade and to the necessity of lowering costs and maintaining quality of produce and service as well as the need of other aids such as protective tariffs and trade agreements. He dealt with the advance in taxation and the burden it imposed on business and individuals. Special representatives and Standing Committees were named at the Meeting for the year 1932. The Council for 1932 was elected as follows: President, J. Homer Black; 1st Vice-President, J. M. Macdonnell; 2nd Vice-President, Harry McGee; and Treasurer, H. C. Grout.

The 33rd Annual Meeting of the Maritime Board of Trade in Halifax, N.S., Nov. 25-26, 1931, was attended by representatives from the several Boards of the Maritime Provinces. Resolutions passed at the Meeting included the following; an expression of faith in the Chignecto Canal project; the favouring of requests being sent to the Dominion Government asking for further measures of protection for the Nova Scotia coal and steel industries and for the fisheries of the Province and, in addition, for an arrangement whereby trans-Atlantic steamers could land mail and passengers at Sydney during the St. Lawrence season. S. A. McDonald, Charlottetown, P.E.I., was elected President for the year 1932, and E. A. Saunders was appointed Secretary.

The 8th Annual Meeting of the Canadian Association of Exhibitions was held at Toronto on Nov. 23-24, 1931, with the President, H. H. McElroy of Ottawa, in the chair. The Secretary reported that during the year action had been taken by the Dominion Government regarding tampering with cattle; that Shorthorn Classification had been referred to the individual exhibitions; that information received from the Federal authorities regarding Sound Amplification, in answer to a letter sent, had been forwarded to each member and that there had been no intimation of any trouble with amplification systems used at the Exhibitions held in 1931; and that a report on copyright would be presented at the meeting. Addresses were given on the following, with ensuing discussions: "The Canadian Council on Boys' and Girls' Club Work" delivered by A. E. McLauren, Secretary of the Council; "The Value of Educational Exhibits at Our Fairs Featuring the Results of Experimental Work" by E. S. Archibald, Director of the Dominion Experimental Farms; "The Value of Exhibitions to the Manufacturers" by Sam Harris, Director of the Canadian National Exhibition; "Exhibition Amusements" by W. D. Jackson, Secretary of the Association; "Are Our Larger Fairs an Incentive to the Farmer?" by George B. Rothwell, Dominion Live Stock Commissioner; and "The Value of Publicity to Exhibitions" by Frederick Wilson, Manager of Publicity of the Canadian National Exhibition. It was decided to draft a resolution to be forwarded to the Federal Commissioner of Customs requesting an Amendment to the Customs Act allowing fair performers and their apparatus to enter into Canada without inconvenience. The Committee previously appointed to secure legislation granting the free use of Copyright music to fairs and exhibitions, reported that such right had been granted under the 1931 Amendment to the Copyright Act. The Officers elected for the ensuing year were as follows: President, J. E. Rettie, Brandon; Vice-President, Georges Morisset, Quebec; Secretary-Treasurer, W. D. Jackson, London.

The 1931 Canadian National Exhibition held Aug. 28—Sept. 12, was officially opened by Admiral of the Fleet, Earl Jellicoe, Grand President of the British Empire Service League. The total attendance, 1,657,000, fell short of the year 1930 by 30,000 which was accounted for by adverse weather. As the revenues from gates declined in line with the attendance, there was a pronounced decrease in admission revenues from the Grand Stand and from Special Shows; also in Building Space, an evidence of depressed trade conditions. Outdoor Concessions and Ground Space were well maintained. Total revenues in 1931 amounted to $989,832 and operating expenses to $790,876, leaving an operating profit of $198,956, as compared with revenues of $1,063,315, expenses of $775,435 and operating profit of $287,880 in 1930. The year 1931 was an outstanding one for the Art Department, being the first time that this Department had occupied three complete buildings. Of importance was the opening of the new million-dollar Horse Palace. The 53rd Annual Meeting of the C.N.E. Association was held at Toronto on Feb. 4, 1932, when officers for 1932 were elected as follows: William Inglis, President; Col. F. H. Deacon, 1st Vice-President; Alfred Rogers, 2nd Vice-President; Secretary, E. A. Hughes; Treasurer, F. F. Brentnall; General Manager, H. W. Waters.

The Central Canada Exhibition Association in 1931 reported the largest number of entries ever received, and was one of the very few exhibitions on

the Continent showing a financial surplus. Total receipts at Nov. 30, 1931, amounted to $167,535, which included cash on hand at Dec. 1, 1930, of $33,319, and disbursements, $140,756 including $24,170 expended on grounds and buildings and an increase in amount spent for prizes. The Junior Agricultural Department, the result of a conference with the agricultural representatives of Ontario and Quebec, was exceedingly successful, with 257 boys and girls participating in the various activities. It was decided to hold the 1932 Exhibition from Aug. 22 to 27. H. H. McElroy was Manager and Secretary.

At the 33rd Annual General Meeting of the Canadian Institute of Mining and Metallurgy, at Montreal, Apr. 5-7, 1932, the delegates were welcomed by Hon. J. E. Perrault, Minister of Roads and Mines for Quebec. The President, F. W. Gray, chose as the subject of his opening address, "The Geological Survey of Canada: An Appreciation of its value to the Mining Industry." The various papers read by noted mining authorities during the several days' sessions covered many phases of the industry. The Report of the Council showed a reduction in membership from 1,567 in 1930 to 1,527 in 1931; and an impairment in the financial condition of the Institute, due to existing economic conditions and to the suspension of the usual grant from the Dominion Government. In 1930 revenue had exceeded expenditure by $257 but in 1931 expenditure exceeded revenue by $2,120. Resolutions adopted at the Meeting approved of the efforts being made for the proper control and regulations of securities issued to the public to raise money for the exploration and development of mining properties and the extension of the co-operation of the Institute toward that end; the urging of the Dominion and Provincial Governments to maintain, as far as possible, the valuable services of the Geological Survey and the Mines Branch and the various Provincial Departments of Mines. At the closing session of the Convention His Excellency the Earl of Bessborough, Governor-General of Canada, was presented with a handsome letter weight made of a high grade specimen of gold ore from the Hollinger Mine. Officers elected for 1932-33 included the President, John A. Allan and the Vice-Presidents: M. Dwyer, J. G. Ross, L. L. Bolton, G. M. Brownell, H. M. Roscoe, and A. G. Langley. As Secretary-Treasurer, E. J. Carlyle, Montreal, was appointed in November, 1931, after the death of G. C. Mackenzie, who had held that office for ten years.

The 46th Annual General Meeting of the Engineering Institute of Canada opened at Montreal on Jan. 14, 1932, but was adjourned until Feb. 3, when it convened at Toronto until Feb. 5. The retiring President, S. G. Porter, M.E.I.C., addressed the Meeting on the subject "The Engineering Profession—Yesterday and To-morrow." The following awards of medals and prizes were made: the Past Presidents' Prize to A. W. McQueen, A.M.E.I.C.; the Gzowski Medal to G. O. Vogan, A.M.E.I.C.; the Plummer Medal to Dr. G. S. Hume; the Leonard Medal to Dr. W. S. Dyer, M.C.I.M.M.; the John Galbraith Prize to D. E. Bridge, S.E.I.C.; the Phelps Johnson Prize to Eric G. Adams, S.E.I.C.; and the Martin Murphy Prize to C. I. Bacon, S.E.I.C. The Annual Report of the Council showed that while there had been an increase in the number of members seeking employment, it had not exceeded 6 per cent. of the total membership. The following reports were presented: Board of Examiners and Education, which urged the Institute to take steps to aid ambitious and earnest younger men who had not the opportunity of taking engineering courses of University standing and for whom there were practically no facilities for advanced evening courses in Canada; Employment Service Bureau; Library and House Committee; Honour Roll and War Trophies Committee which reported that the Bronze Tablet would soon be ready for erection; Committee on Biographies; and the Legislation Committee. The railway-highway transportation question was discussed at length with speakers representing either side of the problem. Officers elected for 1932 were: President, Charles Camsell, M.E.I.C.; Vice-Presidents: A. H. Harkness, M.E.I.C., A. B. Normandin, A.M.E.I.C., S. C. Mifflen, M.E.I.C.; Secretary, R. J. Durley, Montreal.

The Fourth Annual Meeting of the Canadian Political Science Association was held at the University of Toronto on May 23-24, 1932, with the President,

Dr. S. J. McLean, in the Chair. The programme consisted of papers and discussion on the subjects of unemployment, current problems of political science, currency problems, public finance, combines and public policy, planned economy, the party system in Canada and transportation problems. At the business meeting the following Officers were declared elected for the Association year 1932-33: President, E. J. Urwick, University of Toronto; Vice-Presidents, A. B. Clark, University of Manitoba, J. W. Dafoe, *The Winnipeg Free Press,* S. B. Leacock, McGill University, E. Montpetit, University of Montreal; Secretary, S. A. Cudmore, Dominion Bureau of Statistics, Ottawa; Treasurer, V. W. Bladen, University of Toronto; Editor of Publications, C. A. Curtis, Queen's University. The Secretary presented a very favourable report of the year's progress, showing a large increase in membership.

At a meeting of the Dominion Commercial Travellers' Association held at Montreal on Nov. 14, 1931, the following officers were elected for 1932: President, E. E. Goodenough; 1st Vice-President, Albert E. Lavoie; 2nd Vice-President, John B. Cullens; Treasurer, J. P. Rolland, and Secretary, D. Campbell. The Annual Meeting of the Association was held at Montreal on Dec. 19, 1931, when the Annual Report for the year ended Dec. 5 was presented. It showed that an amount of $95,678 had been added to the Capital Account, making a total of $1,494,178. Revenue amounted to $199,-714, which was $534 less than 1930, and working expenses, $19,676, while the total paid out in death claims was $83,181. The total paid-up membership was 11,266, a decrease of 772 for the year due to general conditions, and the strict supervision exercised in connection with applications received. Grants made to members from the Relief Fund totalled $10,392, an increase of $1,586 over 1930.

The Canadian Credit Men's Trust Association Limited held their Annual General Meeting at Saskatoon on June 20, 1932, when the President, J. W. Mahen, occupied the Chair. The Report for the year 1931-32 showed that 901 estates had come into the hands of the Association as compared with 958 in the previous year and that cash handled had amounted to $4,219,086 at an average cost of 4.87 per cent. which covered commission and general costs. Profit for the year in the Estates Department amounted to $54,050 as compared to $44,339 for the previous year. There was a decrease in membership for the year accounted for by amalgamations, consolidations, centralization liquidations, economy and change in sales policy. The most important legislation fostered by the Association during the year covered Amendments to the Bankruptcy Act—Bill No. 41. J. A. Acheson, M.C.L., Winnipeg, was elected President for the year 1932-33 and J. E. Sullivan, M.C.L., Vice-President.

The 31st Annual Convention of the Union of Canadian Municipalities took place in Vernon, B.C., on Sept. 10-12, 1931. The activities during 1930-31, as given in the Secretary's Report, were mainly directed along the lines of previous years: advice to municipalities of proposed private legislation in Parliament affecting the municipalities; the issuing of pamphlets giving results of research work on municipal subjects; and petitions to Parliament and Provincial Legislatures as directed by the Convention. In each case the Governments had given the matters consideration and, in some cases, direct action had been taken. Unemployment relief, old age pensions, the Trans-Canada Highway and immigration matters were followed up and this helped to bring about Government action, increasing the interest of municipalities in the Convention and closer co-operation with Provincial Unions. The total membership of the Union was 96 at June 30, 1931. Addresses were delivered at the Meeting on municipal topics and reports of Standing Committees were presented. Resolutions submitted and adopted by the Resolutions Committee urged: (1) the abolition of the Dominion Income tax and the withdrawal of the Dominion Government from the field of direct taxation as soon as possible; (2) that the Government be requested to assume a substantial portion of the cost of providing grade separation in streets and bridges across rivers; (3) that the Government make provision for immediate relief of unemployment by undertaking necessary public works or by grants of assistance

toward a portion of the cost of those instituted by municipalities; also that the Federal Government create a fund to be built up by annual appropriations to take care of relief works in times of acute industrial depression; (4) the establishment of a Dominion-Provincial-Municipal commission to inquire into the question of duplication of taxation; (5) that the Government assume the cost of maintenance of immigrants awaiting deportation; (6) that the Federal Government be requested to assume some portion of school costs; (7) the institution of a comprehensive and systematic scheme of immigration by the Dominion Government, along lines suggested in Brig.-Gen. M. L. Hornby's Plan, when the need for further immigration should arise, and that a copy of the resolution in question be submitted to the Dominion Prime Minister and the Minister of Immigration; (8) that reciprocity or nationalization of the residence qualifications of old persons be established, so as to entitle them to the benefits of the Old Age Pension Act if resident during twenty years jointly in Canada and any other part of the British Empire; (9) that the Dominion Government be asked to put into effect Unemployment Insurance which would adequately provide for a proper standard of living. It was decided to hold the 1932 Meeting in Winnipeg. Officers elected for the ensuing year were: Honorary President, W. D. Lighthall, K.C., LL.D.; President, John A. McKerchar, Winnipeg; 1st Vice-President, R. E. Langueur, Quebec; 2nd Vice-President, W. J. Moffatt, Kamloops; 3rd Vice-President, W. S. Galbraith, Lethbridge; Secretary-Treasurer, S. Baker, London.

In the report to the National Board of Trustees of the Citizens' Research Institute of Canada for the year ended Feb. 29, 1932, the Director stated that the period had been most satisfactory in many ways. Mounting public expenditure had made the authorities and public more receptive of the suggestions which had been made during the previous decade. There had been an unprecedented demand for the Institute's reports and greater editorial and news use of the material. To the 23 surveys carried out and the 3 surveys participated in by the Survey Branch of the Institute were added an assessment re-valuation of Walkerville, Ontario, and an administrative survey of St. Catharines, Ontario. The Annual Convention of the Institute which included the 9th Annual Convention of the Canadian Tax Conference was very successful, particularly the newly-formed Assessors' Section. Steps were also taken at the Convention for the formation of a section for "Financial and Accounting Officers." Copies of the Taxation resolutions passed were sent to the Governments concerned. The Statistical Branch maintained its support and members made increasing use of their right to secure information on various subjects dealing with taxation and governmental affairs. There was, however, a decrease in revenue received to $14,440.21 from $16,288.05 in the previous year. Officers for 1932-33 were elected as follows: F. Barry Hayes, President; J. P. Hynes, Honorary Treasurer, and Horace L. Brittain, Director and Secretary.

Law. The Presidential Address of Louis St. Laurent, K.C., LL.D., at the Annual Meeting of the Canadian Bar Association, which was opened by a speech from His Excellency, the Governor-General on Sept. 2, 1931, touched upon the question of the supremacy of the Supreme Court of Canada and suggested that all important constitutional disputes should go to the Supreme Court, its decisions, if accepted as final, to be binding authority on both that Court and the Privy Council in future similar cases. Other addresses delivered included those by the distinguished representatives from abroad: Sir Lynden Macassey, K.C., K.B.E., Leader of the Parliamentary Bar of Great Britain, and Sir Henry Lawrence, B.T., formerly Chief Assistant Solicitor to the Treasury of Great Britain. The Report of the Committee on Legal Education made certain suggestions with regard to improving methods of legal training: the abolition, during the whole or part of the course, of practical work while the school was in session, but not during the holiday months; and the requirement of one-year's office training after graduation from law school for those with an Arts Degree and two-years' training for other students. A

survey of the administration of criminal justice was recommended by the Committee on that subject and the formation of a Canadian Branch of the International Law Association, the seat of which was in London, England, was suggested by the Committee on International Law. The following officers were elected for 1931-32: Honorary President, Hon. Hugh Guthrie, K.C., a former Minister of Justice, Ottawa; President, Louis St. Laurent, K.C., LL.D., Quebec; Dominion Vice-President, Hon. N. W. Rowell, K.C., LL.D., Toronto; Provincial Vice-Presidents: Alberta, Hon. A. A. McGillivray, K.C.; British Columbia, A. H. MacNeill, K.C.; Manitoba, D. H. Laird, K.C.; New Brunswick, Hon. Sir Douglas Hazen, K.C.M.G.; Nova Scotia, F. D. Smith, K.C.; Ontario, D. L. McCarthy, K.C.; Prince Edward Island, His Honour Judge Inman; Quebec, George H. Montgomery, K.C., D.C.L.; and Saskatchewan, G. H. Barr, K.C.; Honorary Secretary, Pierre Beullac, K.C., Montreal; Honorary Treasurer, Isaac Pitblado, K.C., LL.D., Winnipeg; Registrar, W. N. Ponton, K.C., Belleville, Ont.; and Secretary-Treasurer, E. H. Coleman, K.C., Winnipeg.

Army and Navy. At the opening Session of the 16th Annual Meeting of the Canadian Cavalry Association, held at Montreal on Oct. 19-20, 1931, the retiring President, Col. R. F. Stockwell, K.C., V.D., announced in his Address that His Excellency, the Earl of Bessborough, G.C.M.G., Governor-General of Canada, having been formerly a cavalry officer, had graciously accepted the office of Patron of the Association. The presentation of trophies included: The Merritt Challenge Cup to the 4th Hussars of Prescott, and The Cavalry Signallers' Challenge Cup to the Manitoba Mounted Rifles. Some of the resolutions adopted and forwarded to the Department of National Defence dealt with: re-introduction of training camps for Cavalry; special arrangements for the qualification of teachers and students who could not attend camp schools during school sessions; training by cinematograph; authorization of H.Q. Wings and Machine Gun Groups for Cavalry Regiments in Eastern Canada; practical demonstration by, and literature regarding, mechanical transport; double issue of service breeches and shirts; redistribution of swords amongst cavalry regiments; establishment of Cavalry Brigade Headquarters in military districts Nos. 6 and 11; wearing of Officers' Kit and Insignia by non-military persons; boarding allowance for disabled horses; and use of mechanical transport in lieu of horse transport at camp. Officers elected for 1931-32 were: President, Colonel H. C. A. Hervey, V.O., R.O.; Honorary Secretary, Lieut.-Col. E. A. Devitt, V.D.; and Treasurer, Lieut.-Col. F. B. Inkster, V.D.

The Report of the Executive Committee of the Canadian Artillery Association presented at their Annual Meeting on Feb. 13, 1932, at Ottawa, stated that the total membership of artillery officers in 1931 was 781, the highest in the history of the Association. The declaration by the Committee that a return to the training at central camps was an absolute necessity if the efficiency of the Canadian artillery were not to suffer a serious set-back which could not be repaired for many years, was approved by the Meeting. Several recommendations submitted by the Ontario Artillery Association were adopted. The Governor-General's Cups were presented to three winning batteries. An interesting address on "The Changing Technique of War" was delivered by Lieut.-Col. H. D. G. Crerar, D.S.O. Lieut.-Col. G. A. Drew, A.D.C., Guelph, Ont., was elected President for the ensuing year, and Lieut.-Col. R. T. Perry, Vancouver, Chairman of the Council. Col. C. H. L. Sharman, C.M.G., C.B.E., Ottawa, continued as Secretary and Treasurer.

The 5th Annual Meeting of the Canadian Machine Gun Corps Association held its Annual Meeting at Halifax, N.S., on Aug. 27, 1931, with Lieut.-Col. C. H. Colwell, Vice-President, in the chair, in the absence of the President. The Secretary-Treasurer reported the Association to be in a sound condition; also that His Excellency the Governor-General and the Honourable the Minister of National Defence had accepted the appointments of Patron and Honorary President, respectively. Replies from the Department of National Defence to resolutions passed at the 1930 Meeting were read. Reso-

lutions adopted for 1931-32 recommended: the embodying of a change in the system of payment of Association dues; the addition of "Assistant Adjutants" to the establishments of Machine Gun Units; the adoption of Good Conduct Stripes earlier than heretofore in the N.P.A.M.; the adoption by the C.M.G.C. Association of an official motto; the request for a distinctive headgear for Machine Gun Troops; the urging of the pressing need for an increase in the Grant; the invoking of Parliamentary aid to restoration of fuller training allotments; the endorsement of plans for "Defence Association"; a distinctive emblem; an abridged text book on lines of Section Leader Training; band grants; dress and colours for informal wear; representation on *Defence Quarterly* Magazine Committee; and vote of thanks to the President (Col. G. W. H. Millican, M.C.) for donation of trophy. Election of officers for 1931-32 resulted as follows: President, Lieut.-Col. C. H. Colwell; Vice-President, Lieut.-Col. J. A. McCamus, M.C.; Honorary Secretary-Treasurer, Capt. A. G. Fisher, Ottawa.

The Last Post Fund, the purpose of whose existence was to see that in future no ex-service person having honourable discharge from the armed forces of the British Empire should be abandoned to pauper burial and oblivion at death, was in 1932, and had been since it was founded in 1909, the only Society of its kind throughout the British Empire. The Report of the Secretary-Treasurer, Arthur H. D. Hair, submitted at the Annual Meeting on May 15, 1932, at Montreal, stated that 428 cases had been dealt with during the year representing an outlay of $42,800, an amount which in normal times would have totalled approximately $128,400. There were net deficits of the various branches amounting to $1,159. The retirement of General Sir Arthur Currie, from the Presidency of the Society, an office which he had held for nine consecutive years, was deeply regretted. He accepted, however, the 1st Honorary Vice-Presidency of the Society. Officers elected for 1932-33 were: President, Colonel (Ven. Archdeacon) John McPherson Almond, C.M.G., C.B.E.; Vice-Presidents: Albert H. Abbott, PH.D., and Colonel J. Chaballe, M.C., V.D.; Secretary-Treasurer, Arthur H. D. Hair. Brig.-Gen. W. O. H. Dodds, C.M.G., D.S.O., was appointed a Charter Trustee in place of Colonel Almond.

The proposal of the Canadian Legion that they should amalgamate with the Army and Navy Veterans of Canada was refused consideration by the latter body in Annual Convention in Hamilton, Ont., on Sept. 4, 1931, in the belief that it would mean for them loss of charter and identity. Resolutions were passed: requesting that the Veterans' Allowance Act be amended to extend the benefits to veterans of other wars; opposing the suggestion that the Veterans' Bureau be taken over by the Canadian Legion and urging that it be continued as a Government service; providing for the appointment of a committee to study the Pension Act and make recommendations to the proper authorities; and favouring the employment of returned men and objecting to married women filling positions which might be given to war veterans. Col. W. C. H. Wood was re-elected President. Other officers were as follows: Capt. M. Jones, 1st Vice-President; Major C. G. Callin, 2nd Vice-President; J. S. Park, 3rd Vice-President; G. H. Garlick, 4th Vice-President; and D. P. B. Mellon, Ottawa, Secretary-Treasurer.

Unanimous approval of "legalized sweepstakes when controlled by soldiers' organizations or legitimate charitable institutions under Dominion Government supervision" was voiced by the Dominion Convention of the Amputations' Association of the Great War in session on Sept. 15, 1931, at Toronto. Much discussion arose over the introduction of a resolution, later defeated, which advocated the abolition of the existing Pensions Appeal Court and the suggestion that all appeals from the Pensions Tribunal be handled through the ordinary courts of the land. A resolution was passed urging the inauguration of a campaign to ensure that "all men, who through disability incurred on Service for which they receive a pension, are justly entitled to receive the maximum remuneration for the type of position held, and that the pension or the amount thereof should not be taken into consideration in fixing rates of remuneration."

Highlights of the Annual Dominion Convention of the Canadian Legion at Niagara Falls, Aug. 31—Sept. 3, 1931, were the resolutions passed condemning the administration of the Pensions Act (See Section: "Federal Administration and Politics" in this volume); favouring the institution of negotiations towards uniting the Canadian Legion and the Army and Navy Veterans of Canada; opposing the idea of legalizing sweepstakes in Canada and recommending that the proferred gift of $57,023 from the Army and Navy Veterans' Association of Canada, which, it was claimed, was wholly derived from sweepstakes, be returned forthwith to the donors. Other subjects under discussion included those of registration of veterans in order to ensure their employment to as great an extent as was possible and of certain suggested amendments to the War Veterans' Allowance Act. The officers for 1931-32 were as follows: Grand President, General Sir Arthur W. Currie; President, Major J. S. Roper; 1st Vice-President, Brig.-Gen. Alex Ross; 2nd Vice-President, Col. W. W. Foster; Chairman, A. E. Moore; Vice-Chairman, E. W. Cornell; Honorary Treasurer, J. A. MacIsaac.

The 15th Annual Meeting of the Dominion Council of the Navy League of Canada was held at the League's headquarters in Toronto on June 21, 1932, with the President, Sam Harris, in the chair. The President's address and the various reports gave an enlightening idea of the scope of the League's activities during the year 1931-32. The Report of the Navy League Committee, I.O.D.E., presented by Mrs. W. G. Lumbers was adopted by the Meeting. The Dominion Council award for services was bestowed upon Mrs. E. G. Mason of Alberta. It was stated that *The Sailor*, official organ of the League, had, notwithstanding a decrease in subscriptions, come through the year with a net operating profit of $992 under the successful management of Colonel Cecil Williams and the able work of its Editor, Miss M. H. Mercer. Sam Harris, S.S.D., A.F.S., was re-elected President. Lieut.-Col. Cecil Williams was Secretary.

Journalism. At the Meeting of the Board of Directors of The Canadian Press held in Toronto, May 2-5, 1932, prior to the Annual General Meeting, a Cost Committee was appointed to review and report to the Board on certain aspects of the existing cost situation, namely, the effect of the new census on cost distribution; the ratio of morning and evening paper costs with particular reference to the numerous withdrawals from the morning paper field in Western Canada; costs of Toronto evening paper members (the question had arisen from certain representations made by the latter to the Board to the effect that the cost to them of the service of The Canadian Press was seriously out of proportion to its value), Montreal costs as related to French and English population, and the reduction of membership fees. The Report of the Management, presented to the Board by J. F. B. Livesay, submitted estimates for the financial year, Sept. 1, 1932—Aug. 31, 1933, which showed a reduction over the estimates of the previous year. Discussions on the advisability of withdrawing the Washington and the European Staff Correspondents in order to effect further economies resulted, in the latter case, in an expression of general opposition to the making of any change and in the former, in the passing of a resolution to close the Washington Bureau at Dec. 31, 1932. The General Manager was authorized by the Board to enter into "a contract with the Imperial and International Communications Limited for the fyling by The Canadian Press of a news service to British West Indies, Bermuda and British Guiana in return for their news, cost to The Canadian Press to be confined to payment of the incoming tolls to Halifax." At the Annual General Meeting held on May 5, 1932, the action of the Board in these respects was approved and the minutes of the Board Meeting adopted. The Report of the Management was also adopted, further economies having been approved. With the exception of John Scott (*The Mail and Empire*, Toronto) who on being nominated requested to be allowed to withdraw in favour of C. O. Knowles (*The Evening Telegram*, Toronto), the Board of Directors were all re-elected and consisted of the following—Maritime Provinces: W. H. Dennis, H. P. Duchemin, and H. P. Robinson;

Quebec: E. J. Archibald, Henri Gagnon, Oswald Mayrand and J. A. McNeil; Ontario: W. H. Anderson, W. Rupert Davies, Arthur R. Ford, E. Norman Smith, W. B. Preston and C. O. Knowles; Manitoba: E. H. Macklin and M. E. Nichols; Saskatchewan: Thomas Miller and Major Victor Sifton; Alberta: Hon. W. A. Buchanan and John M. Imrie; British Columbia: F. J. Burd and B. C. Nicholas. At a subsequent meeting of the newly-elected Board, Norman Smith was re-elected Honorary President; M. E. Nichols, President; Henri Gagnon, 1st Vice-President; W. B. Preston, 2nd Vice-President; and J. F. B. Livesay continued as General Manager and Secretary.

The Canadian Section, the largest in the Empire in point of numbers, of the Empire Press Union, held its 1932 Annual Meeting in Toronto on May 5. The continuation of the monthly issue of the Canadian News Letter which was sent by the Section to approximately 475 publications throughout the British Empire, was heartily endorsed by the Meeting. Officers for the ensuing year were elected as follows: Honorary Chairman, Rt. Hon. Lord Atholstan, *The Montreal Star*; Chairman, Lieut.-Col. J. H. Woods, *The Calgary Herald*; and Honorary Secretary-Treasurer, W. A. Craick, *Industrial Canada*, Toronto.

The following officers were elected at the Annual Meeting of the Canadian Daily Newspapers Association held in Toronto, May 3 and 4, 1932: President, E. G. Smith, *The Chronicle-Telegraph*, Quebec; Vice-President, A. W. Robb, *The Herald and Mail*, Halifax; Treasurer, William Wallace, *The Toronto Daily Star*; and Manager and Secretary, Arthur Partridge, Toronto.

The Canadian Weekly Newspapers Association held their Annual Meeting, July 28-29, 1932, in Port Arthur, Ont. The Financial Report showed a surplus for the year, and the membership at Dec. 31, 1931, was 409, compared with 399 the previous year. Addresses were delivered by John C. Kirkwood, Advertising Counsel and Efficiency Expert of Toronto, and by former Presidents of the Association. Officers elected for 1932-33 were as follows: President, A. W. Marsh, Amherstburg, Ont.; 1st Vice-President, Charles Clark, High River, Alta.; 2nd Vice-President, Adam Sellar, Huntingdon, Que.; and Managing Director and Treasurer, E. Roy Sayles, Renfrew, Ont.

Journalistic announcements during the year included the appointment on Jan. 20, 1932, of C. O. Knowles, Managing Editor, as Editor of *The Evening Telegram*, Toronto, in succession to Irving E. Robertson (deceased). Simultaneously C. H. J. Snider, News Editor, was made Associate Editor and News Director. After nearly forty years of newspaper work William R. Givens, President of *The Whig Standard*, Kingston, retired from that post on Nov. 30, 1931. *The Manitoba Free Press* in December, 1931, changed its name of nearly 60 years standing, to that of *The Winnipeg Free Press*. On Mar. 30, 1932, *The Mail and Empire*, Toronto, celebrated its Diamond Jubilee, the first issue of *The Mail* having been published in 1872. The paper, founded a few years after Confederation through the influence of Sir John A. MacDonald, was intended to counteract the support given to the Liberals by *The Globe* under Hon. George Brown.

Among the several court cases affecting journalism during the year was one resulting from a claim made by Francis Gribble for damages from *The Manitoba Free Press*, Winnipeg, for unauthorized publication of a copyrighted article by him in an English weekly magazine. The Manitoba Court of Appeal on Nov. 9, 1931, upheld the plaintiff's claim, reversing a previous judgment delivered by Mr. Justice W. J. Donovan which stated that the paper in question had not been aware of the existence of copyright as the article had appeared, without such notice, in *The Ottawa Journal* with the author's permission.

Literature. The recipients of the three gold medals awarded annually by the Royal Society of Canada were in 1932 as follows: the Flavelle Medal for scientific achievement to John Stanley Plaskett, D.SC., Director of the Dominion Astrophysical Observatory at Victoria, B.C.; the

Tyrrell Medal for historical work and collection of historical material to Pierre Georges Roy, Provincial Archivist of Quebec; and the Lorne Pierce Medal for literary merit to Archibald MacMechan, PH.D., LL.D., formerly Professor of English Language and Literature at Dalhousie University, Halifax. It was announced by the Society in November, 1931, that ten fellowships to the value of $1,500 each, for a period of five years, had been endowed by the Carnegie Corporation to be awarded by the Society to Canadian students for post-graduate research work outside Canada. The Annual Meeting of the Society was held in Ottawa on May 26-28, 1932. The Presidential Address was delivered by Sir Robert Falconer, formerly President of the University of Toronto, who urged the creation of a national library and museum to awaken Canadians to a realization of the intellectual place their country should occupy among the leading peoples of the world. Francis E. Lloyd, M.A., Professor of Botany at McGill University, Montreal, was elected President of the Society; Leon Gerin, Coaticook, Que., Vice-President; Lawrence J. Burpee, Ottawa, Honorary Secretary; Dr. G. A. Young, Ottawa, Honorary Treasurer and Librarian.

The 11th Annual Convention of the Canadian Authors' Association was held in Ottawa, June 21-23, 1932, under the general chairmanship of Hon. E. Fabre Surveyer, owing to the unavoidable absence in Europe of the President, Duncan Campbell Scott, LL.D. Considerable discussion centred around the suggestion of J. Murray Gibbon that a quota of 80 per cent. should be established on syndicated features of non-Canadian origin, particularly from the United States, published in Canadian newspapers. It was felt that such a step would provide a much-needed opportunity for the expression of Canadian talent in arts and letters. Stricter enforcement of the Copyright laws which were tending to leave the author at a disadvantage, because of his impecuniosity, was urged by Eric Muncaster. The warm support of the Association was accorded to the Canadian Authors' Foundation in a resolution passed to that effect and the task before the Radio Commission about to be set up was examined and a desire expressed to give all possible co-operation. It was resolved to hold the 1933 Annual Meeting in Quebec, with the possibility of adjourning it to meet in London, England, two weeks later. The officers for 1932-33 were re-elected as follows: President, Duncan Campbell Scott, LL.D.; Vice-Presidents: Hon. E. Fabre Surveyer and W. T. Allison, M.A., PH.D.; Secretary, Howard Angus Kennedy; and Treasurer, Lawrence J. Burpee.

Awards presented to Canadians for literary merit during the year 1931-32 included the David Prizes (1) for works of historical science, $850 each to Rev. A. Couillard-Després and Antoine Roy (French Section) and $600 to Rev. W. Bowman Tucker (English Section); and (2) for purely scientific works, $1,700 to Rev. Brother Marie-Victorin (French Section). Two prizes were awarded by the French Academy to Abbé Lionel Groulx, Professor of Canadian History at the University of Montreal and Louis-Phillippe Geoffrion, President of "La Société du Bon Parler Français."

Art. In addition to its Annual Exhibition of Canadian Art which opened on Jan. 22, 1932, and which included in its display about three hundred works comprising painting, prints and sculpture, the National Gallery of Canada also held during the year 1931-32 an exhibition of Contemporary French Prints, consisting of approximately two hundred and fifty works of etchings, engravings, lithographs and woodcuts, and an exhibition of Contemporary British Paintings made up of one hundred and twenty-six works. Loans were made by the Gallery to the Canadian Legations at Geneva, Paris, Tokyo and Washington, D.C., as well as to sixteen Canadian cities. The acquisitions of the Society during the year included the following paintings: Sebastiano del Piombo (1485-1547), *Christ With the Cross*; James Philip de Loutherbourg, R.A., (1740-1812), *A Midsummer Afternoon with a Methodist Preacher*; L. L. FitzGerald, *Doc Snider's House*; James Henderson, *The End of Winter*; J. E. H. MacDonald, R.C.A., *Autumn in Algoma*; L. A. C. Panton, *The Readers*; R. S. Hewton, A.R.C.A., *Sleeping*

Woman; Dorothy Stevens, A.R.C.A., *Amy, Picaninny*; Yvonne McKague, A.R.C.A., *Cobalt*; Lilias T. Newton, A.R.C.A., *Portrait of Dr. Francis J. Shepherd*; A. F. Kenderdine, *The Ferry Trail*; J. W. G. MacDonald, *Lytton Church, B.C.*; Ethel Seath, *The Gardener's House*; W. P. Weston, *Canada's Western Ramparts*; D. L. Mays, *The Bathers*; Will A. Ogilvie, *African Day*; Leo E. Pearson, *Chinook Arch*; Peter Haworth, *Outhouses*; Zema Haworth, *Blue Cove*; F. H. Brigden, *The Grey Canyon*; Frank Carmichael, *The Whitefish Hills*; A. J. Casson, *Approaching Storm, Lake Superior*; T. W. Fripp, *Chatham Sound, B.C.*; Walter J. Phillips, A.R.C.A., *Silver Plains, Manitoba*. Two pieces of Sculpture purchased were *Viljahlmur Stefansson* (Bronze) by Emanuel Hahn, R.C.A., and *Passing Rain* (Marble) by Elizabeth Wyn Wood, A.R.C.A.

The Fifty-Second Annual Exhibition of the Royal Canadian Academy of Arts which opened on Nov. 19, 1931, comprised about four hundred and forty-two works and was visited by approximately 10,007 people. 13 of the paintings shown at the Academy were sold, realizing a total sum of $2,480. At the General Assembly held Nov. 20, Stella E. Grier and Dorothy Stevens, both of Toronto, were elected Associate Painters; W. J. Phillips, Winnipeg, who had resigned as an Associate Painter, was appointed Associate Engraver, and J. E. H. MacDonald, Toronto, Academician Painter. The officers were re-elected by acclamation as follows: President, E. Wyly Grier; Vice-President, W. S. Maxwell; Treasurer, C. W. Simpson; and Secretary, E. Dyonnet. In his Report for 1931 the President stated that the need for economy had resulted in the curtailment of the grants to Life classes in Montreal, Toronto and Ottawa; and the discontinuance of the grant in the case of the class in Hamilton.

A feature of the Annual Meeting of the Royal Architectural Institute of Canada held at Lucerne-in-Quebec, Feb. 19-20, 1932, was the unanimous passing of a resolution which proclaimed the Institute's policy of giving preference to Canadian materials and labour used in Canadian buildings. A booklet containing data on Canadian building products had previously been sent to every member. Other subjects discussed by the Meeting were the Scholarship Fund which had increased to $2,000; the basis of professional charges; the requirements of admission to practice in the various Provinces; and the need for a more equitable basis of income tax for the profession. It was announced that Alcide Chaussé of Montreal, Honorary Secretary of the Institute, since its inception twenty-five years previously, had been elected a Fellow of the Royal Institute of British Architects and that he had also been appointed a Corresponding Member of the Colegio de Arquitectors de la Habana, Cuba. The Fellowship of the Institute was conferred upon two candidates during the year: B. Evan Parry, Ottawa, and E. R. Rolph, Toronto. Gordon M. West, Toronto, was elected President of the Institute for 1932-33; John Y. McCarter, Vancouver, 1st Vice-President; H. C. Mott, Saint John, 2nd Vice-President; Alcide Chaussé, Montreal, Honorary Secretary; and W. S. Maxwell, Montreal, Honorary Treasurer.

The work of the Canadian Handicrafts Guild during 1931, as reviewed at the Annual Meeting on Jan. 25, 1932, reflected "a difficult but not discouraging year." The Handicrafts Shop reported decreased profits and a diminished trade for the period owing to the prevailing conditions. Progress in other fields was recorded, however, by the President. An Alberta headquarters had been formed to co-ordinate the work of the branches in that Province, and a new set of by-laws framed for the purpose of increasing the scope of the work of the Guild. It was also announced that the Guild had received proposals aiming at the foundation of a tweed industry in Ontario and that negotiations were in progress with two large commercial concerns with a view to their marketing handicrafts products. Lieut.-Col. Wilfrid Bovey was re-elected President; Mrs. W. Oliver Smith and Mme N. K. Laflamme, 1st and 2nd Vice-Presidents, respectively; and T. P. Jones, C.A., Honorary Treasurer.

During 1931 the Art Gallery of Toronto held as usual numerous special exhibitions which included those of Italian Old Masters and German Primi-

tives, Architectural works, a collection of sculpture by Isamu Noguchi and Chana Orloff, the Ontario Society of Artists, Contemporary British Water Colours, Modern Austrian Paintings, Contemporary Polish Prints, Canadian Painters in Water Colour and the Group of Seven. The Report presented at the Annual Meeting on Mar. 8, 1932, stated that pictures by the following artists had been added to the permanent collection during the year: A. F. W. Hayward, R.O.I., Tom Greene, Otto Jacobi, Daniel Fowler, Harlow White, and Wonarska (Etchings). The attendance for the year was 144,868, an increase of 20,632, while the number of school children taking advantage of the educational instructions totalled 37,525. A net increase of 379 members was reported, making a total membership of 2,291. The following officers were elected for 1932-33: Honorary President, Hon. Vincent Massey; President, R. Y. Eaton; Vice-President, A. H. Robson; Honorary Secretary, D. H. McDougall.

Through the generosity of members and by purchases out of special funds the Art Association of Montreal acquired paintings for their Permanent Collection by the following artists: Jean Jacques Henner, M. A. Suzor-Coté, R.C.A., Melita Aitken, G. Horne Russell, A. Y. Jackson, and also prints including examples of English, French, Austrian and Polish art. In addition to the 48th Annual Spring Exhibition which opened on Mar. 20, there were exhibitions during the year of German Primitive Paintings, French Prints, Contemporary British Water Colours, Canadian Handicrafts Guild (Annual Exhibition and Prize Competition) and Contemporary Polish Prints. At the Annual Meeting of the Association on Mar. 3, 1932, officers were elected as follows: Lord Atholstan, Honorary President; H. B. Walker, President; Dr. C. F. Martin and Dr. C. W. Colby, Vice-Presidents; and W. B. Blackader, Honorary Treasurer.

Drama. The most important movement in the field of drama during the season 1931-32 owed its beginning to suggestions made in speeches of the Earl of Bessborough, Governor-General of Canada, to the need of a national dramatic organization, perhaps competitive in nature, to encourage Canadian talent. These interested efforts on the part of His Excellency culminated late in 1932, in the inauguration of the Dominion Drama Festival.

The first Festival of Religious Plays in Canada undertaken by the Canadian Drama League, in conjunction with the Women's Association of the Deer Park United Church, Toronto, opened in Toronto on Mar. 23, 1932, under the direction of Bronlow Card. The Festival consisted of three plays, the first, *Everyman,* was an interesting revival of the old morality play; while the second was John Masefield's *Good Friday.* The culminating success was reached, however, in the mediæval *mystère, The Marvellous History of St. Bernard,* written by Henri Ghéon and translated by Sir Barry Jackson. This was the first production of the play in North America.

The Montreal Repertory Theatre, Inc., experienced a second successful season in 1931-32, when the following plays were produced: *The Mask and the Face,* by Luigi Chiarelli; *The Cat and the Cherub* by C. B. Fernald; *The Adding Machine* by Elmer Rice; and *The Man in Possession* by H. M. Harwood. In addition to these, there were performed several one-act plays by well-known Montreal playwrights, such as S. Morgan Powell, Henri Letondal, R. H. Mainer, Mary Wallace Brooks and Sir Andrew Macphail. Howard Murray, O.B.E., was President of the Association; Sir Andrew Macphail, KT., M.D., Vice-President; and Roy Campbell, F.C.I.S., Secretary.

Additions and improvements to the theatre itself was an important feature of the activities of Hart House Theatre, Toronto, during the 1931-32 season. A complete broadcasting training studio, which was fully equipped to handle programmes by remote control to any station, was acquired. Lighting equipment on the stage was greatly increased and improved and rehearsal and dressing rooms constructed, as well as a new costume department. The plays produced during the year were an interesting selection: *Liliom,* by Ferenc Mol-

nar; *The Bright Island,* by Arnold Bennett; *Brer Rabbit,* by Mrs. Percy Dearmer (Music by Martin Shaw); *The Barber of Seville,* by Beaumarchais; *Faust,* adapted from the works of Goethe by Edgar Stone, Director of the Theatre; and *Pompey the Great,* by John Masefield. The Director stated that the encouragement of student dramatic activities and of experimental group work in elementary stage settings played a vital part in the policy of the Theatre.

The plays presented by the Ottawa Drama League during the year attained their usual measure of success and were as follows: *Interference* by Roland Pertwee and Harold Dearden; *The Truth About Blayds,* by A. A. Milne; *The Middle Watch* by Ian Hay and Stephen King-Hall; *The Swan* by Ferenc Molnar; *The Young Idea* by Noel Coward; *Dulcy* by George S. Kaufman and Marc Connelly, and *Canaries Sometimes Sing* by Frederick Lonsdale. At the Annual Meeting of the League held on June 8, 1932, His Excellency, Rt. Hon. the Earl of Bessborough was made Honorary President: Duncan Campbell Scott, LL.D., President; and T. D. deBlois, Secretary-Treasurer.

Other Little Theatre activities in Ontario included those of the Sarnia Drama League which maintained its usual high standard both in the selection and the artistic production of its plays. Among its presentations were: *The Lady from the Sea* by Ibsen and a very successful adaptation of the Constance Collier stage version of *Peter Ibbetson* by Du Maurier. The Drama Group (Convener, W. Rupert Davies) of the Kingston Art and Music Club produced four plays during the season: *Secrets,* by Rodolf Besier and May Edginton; *The Lady from the Sea* by Ibsen; *Nothing But the Truth,* by James Montgomery; and Roland Pertwee's *Interference.* At the end of the year the Club reported a total membership of 700.

In Manitoba, the keen interest felt in the development of amateur dramatics manifested itself particularly during 1931-32 in the organization of the Manitoba Drama League early in 1932, the primary intention of which was to encourage dramatic activities in the rural areas. Eight dramatic festivals were held throughout the Province in the Spring of 1932 and it was planned to present the winning play of each at a Provincial Festival to be held in October, 1932. The League, which to some extent had been modelled on the British Drama League, in June received and accepted an invitation to become a member of the latter organization. The season 1931-32 also witnessed the formation of two more Little Theatres in Manitoba—at Melita and Dauphin—which, with the Winnipeg and Brandon Little Theatres, made a total of four in the Province. The presentations of the Winnipeg Little Theatre (Director, John Craig) during the year included the ambitious and excellent performance of Shakespeare's *Othello.* Other plays given were: *The Farmer's Wife,* by Eden Phillpotts; *The Good Hope,* by Herman Heijermans; *Aren't We All* by Frederick Lonsdale, and *Among the Maples* by Lillian Beynon Thomas, a Winnipeg playwright. Among the plays produced by the Brandon Little Theatre were *The Passing of the Third Floor Back* by Jerome K. Jerome, and *The Torch Bearers* by George Kelly.

The possibility of the organization in Saskatchewan of a Provincial dramatic festival was seen in the resolution passed by the Regina Little Theatre Society at their Annual Meeting on Apr. 18, 1932, which urged that the Society seek the collaboration of the Saskatoon Little Theatre Society and the University of Saskatchewan in that direction. The Regina Branch included *Bunty Pulls the Strings* and *Hobson's Choice* in its season's productions.

The Alberta Drama League entered upon its third year of activities in 1931-32. Unlike the Manitoba League the seven participants in the Festival, held in Edmonton early in 1932, represented the towns rather than the rural areas. Variety in type was the outstanding note of the Edmonton Little Theatre's productions during the season which included that weird tragedy, *Death Takes a Holiday,* Somerset Maugham's sophisticated comedy, *The*

Constant Wife, and John Galsworthy's *Escape.* The Calgary Little Theatre Association reported a large deficit for the year, due for the most part, to the necessity of paying heavy royalties on their various productions. Their season's presentations consisted of *Hay Fever* by Noel Coward; *Loyalties* by John Galsworthy; *The Whispering Gallery* by W. Robinson and Terence de Marny, and numerous one-act plays.

British Columbia also inaugurated its first Dramatic Festival in 1932. Held in Victoria, the Festival met with an enthusiastic response, 22 plays being presented, 5 of which were by Canadian authors. Victoria, which formed the nucleus of British Columbia's dramatic activities, had, during the period under review, a dramatic school, two Little Theatre Associations, a Theatre Guild, and approximately 37 dramatic clubs. Vancouver also had a Little Theatre Association.

History. The Report of the Public Archives for the year 1931 contained a list of various manuscripts received during the year from England, France, Germany, the United States, and from the various Provinces of Canada. The Deputy Minister, A. G. Doughty, C.M.G., LL.D., stated that since the preceding Report had been issued (Feb. 27, 1931) 1,251 requests for information had been received and given attention. Those necessitating reference to military records and dealing with service in the War of the American Revolution, that of 1812, the Rebellion of 1837-38, the Fenian Raids of 1865-66 and 1870, and the Northwest Rebellions of 1870 and 1885, had steadily increased. It was announced that an index of the Annual Reports of the Public Archives, both English and French, had been begun, and that the classification and card index of maps, plans and atlases received to May, 1931, had been completed. In an Appendix to the Report was printed a continuation of the Calendar of State Papers addressed by the Secretaries of State for the Colonies to the Governors-General or Officers administering the Province of Lower Canada from 1787 to 1841. This series covered the years from 1830 to 1838. The Public Archives offices at Halifax and Saint John were closed in December, 1931, and February, 1932, respectively.

The Annual Meeting of the Historic Sites and Monuments Board of Canada was held in Ottawa, on May 30 and 31, 1932, with Brig.-Gen. E. A. Cruikshank presiding. The sites marked and the services of important personages commemorated during 1931 included: Fort St. Peters, at St. Peters, N.S.; St. Peters Canal, St. Peters, N.S.; Jean Paul Mascarene, Annapolis Royal, N.S.; the site of the first Legislature in New Brunswick, Saint John, N.B.; Fort Nerepis, near Saint John, N.B.; Beaubears Island, near Newcastle, N.B.; Temiscouata Portage, Cabano, Que.; Lachine Canal, Lachine, Que.; Grenville Canal, Grenville, Que.; Carillon Canal, Carillon, Que.; Pointe-au-Baril, Maitland, Ont.; Lord Sydenham and Sir Charles Bagot, Kingston, Ont.; Fort Mississauga, Niagara-on-the-Lake, Ont.; Dundas Military Highway, near Dundas, Ont.; Normandale Furnace, Normandale, Ont.; Officers and Seamen, Royal Navy and Old Navy Yard, Amherstburg, Ont.; Port Churchill, Man.; Rocky Mountain House, Alta.; Collins Overland Telegraph, Quesnel, B.C.; and Yukon Gold Discovery, Dawson City, Y.T. Among the sites or events selected at the Meeting for commemoration in the near future were: the beginning of organized survey in Canada by the British Government which took place in Prince Edward Island; the laying in November, 1852, of the first Submarine Telegraph in America, which extended from Carleton Head, P.E.I., to Cape Tormentine, N.B.; the establishment between Quebec and Montreal before 1828, of the first stage coach service in Canada; the Lyndhurst Iron Furnace, Ontario, built in 1802 and operated until 1812, which was the first iron manufactured from local ore in Upper Canada; the treaties made with the Indians in 1798, 1815 and 1818, by which the country north and west of Lake Simcoe was transferred to public control; the commemoration of the public and private services of Rev. John McDougall and Father Lacombe in their efforts to preserve peace on the Canadian Prairies; and Norway House, Manitoba, the site of the post built by the Hudson's Bay Company in 1801.

The Canadian Geographical Society held its third Annual Meeting in Ottawa, on Feb. 17, 1932, and re-elected for 1932-33 the officers of the preceding year as follows: J. B. Tyrrell, M.A., Honorary President; A. P. Coleman, PH.D., Honorary Vice-President; Charles Camsell, LL.D., President; C. G. Cowan, 1st Vice-President; J. Mackintosh Bell, PH.D., 2nd Vice-President; and E. S. Martindale, Honorary Secretary. The ten members of the Board of Directors who retired at the end of the Society's year were also re-elected. After the presentation, discussion and adoption of reports, and other formal business, the meeting adjourned to the evening of Feb. 24 when, in place of the customary Presidential Address, the Second Vice-President, Dr. J. Mackintosh Bell, gave a most informative and interesting talk on some aspects of the economic geography of Russia.

Definite progress throughout Canada of the aims and objects of the United Empire Loyalist Association in 1931 was reported at the Annual Meeting of that body in Toronto on Jan. 29, 1932. Col. George A. Drew addressed the gathering on the disarmament question, urging the necessity for control by the League of Nations of the armament factories of all nations within the League's scope. Major V. MacLean Howard was re-elected President for 1932 and Captain Horace H. Van Wart, Toronto, was again made Corresponding Secretary. In February, 1932, the question arose at a meeting of the Association of publishing certain papers in the possession of the Toronto Association relating to the Loyalist settlements of Upper Canada and the Maritime Provinces. The publication, which would form the basis of an authentic list of the original Loyalist settlers of Canada, was, however, deferred owing to the lack of sufficient funds.

At the Meeting of the New Brunswick Loyalists' Society in May, 1932, arrangements were made for the celebration in May, 1933, of the 150th anniversary of the landing of about 15,000 Loyalists at Saint John. Maj.-Gen. Hon. H. H. McLean, LL.D., Lieutenant-Governor of the Province, was President of the Society and Mrs. F. S. Murray, Secretary-Treasurer.

The Annual Meeting of the Canadian Historical Association was held in the Public Archives, Ottawa, May 24-25, 1932, with the President, His Honour Judge F. W. Howay of New Westminster, B.C., in the chair. The subject of the Presidential Address was an account of the rise and decline of the maritime fur trade on the coast of British Columbia in the period from about 1785 to 1825. Other interesting papers read at the Meeting included "The Relation of Bolingbroke and the English Opposition with the French Government, 1731-35," by Prof. H. N. Fieldhouse, of the University of Manitoba; "Machias and the Invasion of Nova Scotia" by D. C. Harvey, Archivist of the Province of Nova Scotia; "Dr. Charles Inglis in New York" by A. H. Young, M.A., D.C.L., President of the Ontario Historical Society; an account of the Genealogy of Governor Charles Lawrence, by Dr. James Kenny of the Public Archives; a brief biography of Thomas McKay, founder of Rideau Hall, by F. J. Audet of the Public Archives; "La Procédure sous le Régime Français" by Hon. E. F. Surveyer; "Dalton McCarthy and the politics of the Later Eighties" by Fred Landon of the University of Western Ontario; and "The British Board of Trade and Quebec, 1760-65" by Prof. Duncan McArthur of Queen's University, Kingston. In his Annual Report the Secretary-Treasurer, Norman Fee, reported that 21 new members had joined during the year and that the financial statement showed a balance on hand of $698. Invitations were accepted at the Meeting by the Association to hold a joint session with the American Historical Association meeting in Toronto in 1932 and to participate in the celebrations planned for the 150th anniversary of the coming of the Loyalists to Canada. Dr. J. C. Webster of Shediac, N.B., was elected President; Prof. Duncan McArthur, Kingston, Vice-President; Lawrence J. Burpee, Ottawa, Chairman of the Management Committee; Norman Fee, Ottawa, English Secretary and Treasurer, and Gustave Lanctôt, Ottawa, Editor and French Secretary.

It was reported at the Annual Meeting of the Ontario Historical Society at St. Catharines, June 22-24, 1932, that Volume V of the *Simcoe Papers* had

been issued in printed form and that Volume XXVIII of *Papers and Records* and Volume I of the *Russell Papers* would shortly be ready for distribution. Valuable work was accomplished during the year in connection with the movement for the restoration and preservation of old Fort York. Two resolutions passed by the Meeting requested that the archæological collection in the Normal School at Toronto be preserved as a separate entity, even if moved to the Royal Ontario Museum, and urged that the Provincial Government should set aside a certain amount for the erection of a suitable monument on the spot near Thamesville where Chief Tecumseh fell in battle. The officers of the previous year were re-elected with Prof. A. H. Young, M.A., D.C.L., as President, A. J. Clark and Rev. C. H. E. Smith, M.A., as Vice-Presidents, and J. McE. Murray, as Secretary and Treasurer.

The 1931-32 Annual Report of the Women's Canadian Historical Society of Ottawa, presented at the Annual Meeting on Mar. 29, 1932, gave evidence of an active year, eleven Executive and five General Meetings having been held. Mrs. A. C. Kains was re-elected President for the ensuing year; Mrs. H. K. Carruthers, Recording Secretary, and Miss Key Eliot, Corresponding Secretary. In May, 1932, the Society held a loan exhibition at the Public Archives in commemoration of the 100th Anniversary of the opening of the Rideau Canal.

In February, 1932, the Women's Canadian Historical Society of Toronto held, in the Ridpath Galleries, an Historical Exhibition of rare pictures and historical treasures of pioneer days. At the Annual Meeting of the Society held in April, Miss Carolyn Roberts was elected President, Mrs. S. M. Fairbrother, Corresponding Secretary, and Mrs. S. W. Howard, Recording Secretary.

Several interesting papers on historical subjects were read at the Annual Meeting of the Historical Association of Annapolis Royal on Nov. 2, 1931. The discovery, by Mrs. F. A. Richardson, of what was hoped would prove to be a stone which marked the site of Champlain's Garden in Lower Granville, was reported to the Meeting. Stones with the mark B had also been found on Goat Island and were thought to have marked the boundary of Biencourt's property. The following officers were elected for the year 1932: President, L. M. Fortier; Vice-President, Mrs. J. W. Thompson; Secretary, Miss H. L. Hardy; and Treasurer, H. M. Doull.

Prof. W. Stewart Wallace, M.A., Editorial Secretary of The Champlain Society, in his Report to the Annual Meeting of that Association on Mar. 18, 1932, announced that the fourth volume of *Champlain's Works*, edited by H. P. Biggar, would be delivered to members within a few weeks and that the Council had authorized the publication of a new edition of John McLean's *Notes of a Twenty-Five Year Service in the Hudson's Bay Territories*. It was also stated that, through the kindness of the Librarian of the Hudson's Bay Company, the President, J. B. Tyrrell, LL.D., had been able to secure copies of the Journals of Philip Turnor, the first surveyor in the Hudsons' Bay Territories, which he was preparing for publication by the Society. Officers elected for 1932-33 included: Sir Robert Borden, G.C.M.G., Honorary President; Major Eric Armour, K.C., President; Harold C. Walker and W. Stewart Wallace, M.A., Secretaries, and H. H. Langton, M.A., Treasurer.

The discovery of what was thought to be the coffin containing the remains of the Duc d'Anville, High Admiral of the French Fleet, whose expedition for the re-capture of Louisburg in 1746 met with disaster, was made in June, 1932. Excavations around the old fortress had been carried on for two years under the direction of the Historic Sites and Monuments Board by the aid of plans, copied from the original ones owned by France, which were made when the Fortress was first laid out and which enabled the engineers to discover the exact location of the various important buildings, including the Garrison Church, where the body was found buried deep under the débris of the last British bombardment of Louisburg.

For the first time in history the ancient citadel at Halifax, N.S., which for a century had stood guard over the Maritimes, was evacuated and completely

deserted when the Government put its economy measures into practice early in 1932. Until that time the fortress had been manned by "A" Company of the Royal Canadian Regiment.

A Medal, rarely bestowed outside of France and carrying with it the title of "Laureat de l'Institut," was awarded by the Institut de France to Lawrence J. Burpee in 1931 in recognition of his services in throwing new light on the achievements and history of France in the New World, and particularly in editing the *Journals of La Veréndrye*, the famous explorer of Western Canada. It was formally presented in June, 1932, by the French Legation at Ottawa.

Education. The Canadian Teachers' Federation met in New Brunswick for the first time when their 12th Annual Conference was held at Moncton and Saint John, July 28-31, 1931. The first day session was taken up with the Address of the President, John W. Barnett of Edmonton, and the presentation and discussion of the Report of the Secretary, M. J. Coldwell, Regina. At other sessions reports of the several Committees were presented and discussions centred around these and other questions including the World Federation of Educational Associations and the proposed All-Canadian Educational Congress. Of particular interest was the interim report of the Examinations Inquiry Committee, the Committee being empowered by the Meeting to continue its investigation which was expected to occupy three years. The Report on "The Declaration of Principles to Govern Teacher and Professional Organization" was presented and returned for revision and instructions given for draft copies of the revised Report to be sent to Provincial bodies before final adoption by the Federation. Other discussions held covered superannuation and drama in the schools. A recommendation was passed urging an additional year in the course of training for teachers. William McL. Barker, M.A., of Moncton was elected President for 1932; J. R. MacKay, Saskatoon, 1st Vice-President; Miss Jessie M. Norris, Montreal, 2nd Vice-President; and M. J. Coldwell, Regina, Secretary-Treasurer. After the close of the Convention the new Executive met and mapped out special work for the Committees during the ensuing year. It was decided to have the Federation incorporated.

Addresses were delivered at the National Conference of Canadian Universities, May 30-31, 1932, by the following distinguished Canadian educationists: Prof. Felix Walter, University of Toronto; Dr. R. C. Wallace, President of the University of Alberta; Prof. J. F. Macdonald, University of Toronto; Prof. F. Clarke, McGill University; Dr. G. J. Trueman, President of Mount Allison University; Sir Robert Falconer, President of the University of Toronto; and Dr. W. C. Murray, President of the University of Saskatchewan. On account of financial difficulties it was decided not to hold a Conference in the year 1933 and, in view of the reserve on hand, not to collect fees from the members during the ensuing year. The following officers were elected for 1932-34: President, Dr. R. C. Wallace; Vice-President, Carleton W. Stanley; and Secretary-Treasurer, Prof. W. A. Mackintosh.

The 1931 Triennial Meeting of the Canadian Federation of University Women at Ottawa, Aug. 25-27, was addressed by the President, Miss Laila C. Scott, who reported the loss of one federated organization, the University Women's Club of Quebec; this was offset, however, by the admission of the Clubs at Medicine Hat, Alta., and at Swift Current, Sask. The total membership was estimated to be between 1,800 and 2,000—several Clubs had omitted to send in their returns. The Reports of the various Committees of the Federation were presented to the Meeting; that of the Scholarship Committee showed that since posters advertising the Federation's scholarship had been issued and distributed to Canadian Universities the number of applicants had increased. As an outcome of a recommendation at the Executive Meeting in May, 1929, Mrs. Norman Mackenzie and Miss True Davidson were appointed to investigate the advisability of establishing a Vocational Bureau for University women in Canada; their plans for a Bureau at Toronto

received the approval of the Meeting. Mrs. Douglas J. Thom, Regina, was elected President for 1932-33; Mrs. T. S. McMorran, Ottawa, 1st Vice-President; Miss Laura E. Newman, St. Catharines, 2nd Vice-President; Miss Kate M. Gillespie, London, Recording Secretary; Mrs. John Barnett, Regina, Corresponding Secretary; and Miss Helen F. McEwen, Toronto, Treasurer.

The National Federation of Home and School Clubs held their biennial Convention at Calgary in July, 1931, when Dr. G. W. Kerby was re-elected President; Mrs. R. S. McLaughlin, Oshawa, Vice-President; and Mrs. A. M. Curtis, Calgary, Secretary-Treasurer. Presidents of Provincial organizations acted as Vice-Presidents on the National Board. Dr. Kerby, Mrs. Edward Mahon and Mrs. A. E. Delmage were selected by the Meeting to attend the Denver Conference of the International Federation of Home and School.

Welfare. The Report for 1931 of the National Commissioner of the Canadian Red Cross Society, presented at the Annual Meeting held in Toronto, Mar. 10-11, 1932, showed that there had been more active Red Cross service in Canada during the year than at any time since the Great War, notwithstanding the fact that the annual income of the Canadian people had been reduced by nearly 40 per cent. During 1931, voluntary contributions from all sources amounted to $366,325, an increase of slightly more than $52,000 over 1930. The gross revenues in 1931 were $828,689, an increase of $181,850 over the previous year, the principal increases occurring in connection with work for soldiers and general relief; gross expenditures amounted to $965,256, an increase of approximately $205,000. Total expenditures on soldier work for 1931 were $224,706 as compared with $117,500 in 1930; total disbursements in connection with disaster and general relief work amounted to $226,258, as compared with $64,340. In Saskatchewan and Alberta the Society functioned as the recognized agent of the Government for handling certain aspects of clothing relief and met the requirements of approximately 50,000 families. A National Emergency Fund campaign was launched on Dec. 10, 1931, with all Divisions taking part except Saskatchewan who had launched a Provincial appeal two weeks before. The record of returns was not complete at the end of the year. On July 1, 1931, the Prince Edward Island Government took over the Public Health Nursing Service in that Province inaugurated by the Red Cross in 1921, the nursing staff being transferred to the Government service. Hon. G. Howard Ferguson was appointed in May, 1931, as Governor of the League of Red Cross Societies. In October His Excellency the Governor-General presented to Miss Vivian A. Tremaine, R.V.O., R.R.C., the Florence Nightingale Medal which had been conferred upon her by the International Red Cross Committee at Geneva. Mrs. H. P. Plumptre was the recipient of two notable honours during 1931: the Cross of Merit of the Japanese Red Cross Society, by special permission of His Majesty the Emperor of Japan, and nomination as a Special Member of the Society; and the appointment as only woman delegate from Canada to the General Assembly of the League of Nations. The officers for 1932-33 were as follows: President, His Excellency the Earl of Bessborough; Chairman of the National Central Council, and of the Executive Committee, Norman Sommerville, K.C.; Honorary Secretary, F. D. L. Smith; Honorary Treasurer, F. Gordon Osler; National Commissioner, Dr. James L. Biggar, Toronto.

The Report, published in February, 1932, of the Survey of Nursing Education in Canada, conducted under the direction of a National Joint Study Committee, representative of the Canadian Medical and Nurses' Associations, formed the main subject of discussion at the latter's biennial Meeting, June 20-25, 1932. The most important recommendations of Dr. G. M. Weir, Professor of Education in the University of British Columbia, who had been in charge of the Survey, were: the state socialization of nursing accompanied by the institution of compulsory health insurance; the registration of nurses and the direct control of their services for the benefit of the community by Federal and Provincial councils of nursing; the control and subsidization of training schools by the Government; and a uniform standard of educational

requirements for the student nurse. The Report particularly stressed the need for reduction in the student nurse personnel in order to provide employment for the graduate nurse, 40 per cent. of whom were almost continually unemployed. The Canadian Nurses' Association heartily endorsed the above findings and urgently requested the co-operation of Boards of Trustees in all hospitals in their efforts to remedy the existing grave situation. It was stated that Provincial Committees, similar to the National Joint Study Committee, had been appointed, since the publication of the Report, to aid in applying its contents to individual needs of the various Provinces. The announcement was made that the National Office of the Association would be at Montreal instead of Winnipeg after Nov. 1, 1932. Miss F. H. M. Emory, Toronto, was elected President for 1932-33; Miss R. M. Simpson, Regina, 1st Vice-President; Miss G. M. Bennett, Ottawa, 2nd Vice-President; and Miss Jean S. Wilson, Winnipeg, Executive Secretary.

The 34th Annual Meeting of the Board of Governors of the Victorian Order of Nurses for Canada was held at Ottawa on May 11-12, 1932. The President, Rt. Hon. George P. Graham, P.C., LL.D., in his opening Address pointed out that during 1931 some 751,000 visits had been paid in 83 districts by 313 nurses. As an item of encouragement, he added that the maternal death rate of Victorian Order cases was one-third that of the average throughout Canada. Continuing, the President described the work as being divided largely into three sections, more than half being among mothers and babies, 29 per cent. being medical and surgical cases and the rest, welfare work. Over 100,000 free cases were attended during 1931, as compared with 49,000 in 1929. Addresses were also delivered to the Meeting by Their Excellencies, the Earl of Bessborough and the Countess of Bessborough, the latter reading messages to the Order from Her Majesty the Queen, H.R.H. the Duke of Connaught, the Duchess of Devonshire and others. The Report of the Chief Superintendent stated that two new centres had been opened during 1931: at Edmundston, N.B., and at Liverpool, N.S.; the centre at Whiska Creek, Sask., discontinued their work in 1931. Two projects launched during 1931 were: the establishing of four institutes for maternal care in the City of Toronto; and the giving of nursing demonstrations by a Victorian Order nurse to district medical groups as arranged with the Canadian Medical Association. Of great importance, from an administrative viewpoint, was the publication in 1931 of Dr. Grant Fleming's Survey of the activities of the Order, sponsored by the Canadian Medical Association, the study of it by a Committee under the joint leadership of Dr. Helen Reid and Dr. Norman Harris, the calling of a national Conference of Nurses previous to the 1931 Annual Meeting to deal with various professional aspects, and finally the Report's adoption by the Executive Council late in May, 1931. Officers elected for 1932 were as follows: Rt. Hon. George P. Graham, P.C., LL.D., President; Maj.-Gen. E. C. Ashton, M.D., C.M., C.M.G., W. F. Angus, W. H. Malkin, D'Arcy McGee, K.C., and Mrs. William Dennis, Vice-Presidents. Major G. A. E. Chapman, D.S.O., was Secretary-Treasurer.

The 24th Annual Meeting of the St. Elizabeth Visiting Nurses' Association, held at Toronto, on Feb. 12, 1932, was addressed by Dr. W. B. Hendry, Professor of Obstetrics in the University of Toronto, on "Toronto's Plans for Better Maternal Care," as decided on by the Advisory Committee on Maternal Care. The President, Mrs. James E. Day, suggested that a careful analysis of the comparative costs of hospital and home confinement services would show that the service could be given in the home at a saving in public funds. The Report of the Superintendent, Miss Helen Heffernan, showed an increase in work and responsibility which necessitated the addition of two nurses to the staff. A total of 3,041 patients were cared for; 30,327 visists were made; and 739 confinements were attended. Mrs. James E. Day was re-elected President for 1932, and Mrs. M. Lamburn, Recording Secretary.

The Canadian Tuberculosis Association, in their review for the year ended Mar. 31, 1932, reported on the completion of the fifth year of Christmas seal

sales from coast to coast, and the first year of using a Christmas seal designed by a Canadian, and printed by Canadian artisans on Canadian paper, which had met with a 99 per cent. approval. Total receipts decreased to $121,967 in 1931 as compared with $159,899 in 1930; drastic economies and curtailments reduced the total cost to $14,168 as against $15,400; subtracting the 10 per cent. received of $12,197, a loss was recorded of $1,971, as compared with a profit of $590 in 1930. It was estimated, however, that further receipts up to August, 1932, would reduce this deficit to $500. In connection with education, a sixteen milimeter motion picture film was prepared during 1931 showing twenty new sanatorium constructions in eight Provinces of Canada, for the use of sanatoria boards in Canada contemplating new construction; and four new posteretts for school children were added to the eleven already produced. The greatest success yet achieved was reported in research work which was financed by the National Research Council. Ten theses were presented and money awards made to three medical members of sanatorium staffs. The largest year of increase in sanatorium beds for the treatment of tuberculosis was also noted. It was expected that before the end of 1932, over 8,200 beds would be operating, a recent increase of 1,450 beds, or an increase of 18 per cent. in 18 months. The Annual Meeting of the Association was held in Toronto on June 22, 1932. The Officers re-elected for 1932-33 were: President, W. J. Dobbie, M.A., M.D., C.M., Weston, Ont.; Executive Secretary, Robert E. Wodehouse, M.D., D.P.H.

The Canadian National Institute for the Blind held their 14th Annual Meeting at Toronto on June 8, 1932. The President, L. M. Wood, reported that sales of products handled directly through the Institute for the period ended Mar. 31, 1932, amounted to $476,903 as against $474,398 in 1930-31. The Report of the Managing Director, E. A. Baker, stated that in spite of existing difficulties the Institute had maintained its services in every field on a level with those of the previous year while in a number of instances, owing to demands particularly for relief, increased services and expenditure had been necessary. The total register of blind people in Canada increased from 5,775 at Mar. 31, 1931, to 6,276 at the end of March 1932, most of the increase being accounted for by the Province of Quebec which, in 1931-32, had made a definite systematic registration for the first time. Home Teaching service was extended to 366 blind persons in 1931-32 with 19 Home Teachers in the field. The national placement department, with the employment of blind persons as its objective, had a total number of placements in Canada since its inception, four years previous, up to Mar. 31, 1932, of 280 and cash benefits to blind persons for the same period of $286,136. In 1931-32, active placements numbered 124 with an active payroll of $122,304. The Library Department showed a total of 26,179 loans during the year, a gain of 3,017; 2,110 new volumes were added, making a total of 15,008 volumes available for loan; 126 new pieces of music were added, the music supply at the end of the year being 2,354 numbers.

The 3rd Biennial Canadian Conference on Social Work, which met in Winnipeg on June 6, 1932, elected Miss Laura Holland, Vancouver, as President for 1932-33. It was decided that the Executive should draft a constitution to be submitted at the next Assembly and a resolution was adopted favouring the placing of the juvenile court age limit in all Provinces at 18 years. The 12th Annual Meeting of the Canadian Council on Child and Family Welfare, also at Winnipeg on June 6, preceded the above-mentioned Conference, whose sessions they attended. Two important decisions arrived at by the Council were: (1) to undertake the substantial re-organization of the Council—a reduction of the Governing Board, a strengthening of the Divisions of work with the addition of two major ones, Community Organization and French-Speaking Work, making four in all, and provision for increased representation; and (2) to withdraw $2,500 from the $9,000 working capital of the Council, to finance a Family Welfare Secretary. The Report of the Executive Director gave evidence of much valuable work having been accomplished during the year in the fields of child hygiene, child protection,

delinquency, recreation, family welfare and community organization. Miss Charlotte Whitton, M.A., Ottawa, was again made Executive Director for the ensuing year.

The Canadian National Safety League held its 13th Annual Meeting concurrently with the 18th Annual Meeting of the Ontario Safety League in Toronto on Feb. 15, 1932. Addresses were delivered by Tom Moore, President of the Trades and Labour Congress of Canada; Hon. Leopold Macaulay, Ontario Minister of Highways; and Arthur Gaboury, Secretary-General of the Quebec Safety League. The Annual Report submitted to the Meeting stated that distribution of literature during 1931 had embraced 14,400 industrial, 16,400 special, 11,400 traffic, and 12,800 school, bulletins; 4,000 reports and circulars and 5,040 safety calendars. His Excellency, Rt. Hon. the Earl of Bessborough, consented to be Honorary President for 1932. Col. the Hon. Henry Cockshutt, LL.D., was elected President.

The Report of the Honorary Secretary of the Royal Canadian Humane Association, presented at the Annual Meeting in Hamilton on Mar. 31, 1932, showed that 130 awards, including 28 bronze medals and 102 parchment certificates, had been passed for the saving of the lives of 108 persons and for 11 unsuccessful attempts of rescue. There were also 3 posthumous awards for persons who lost their lives in the attempt to rescue others. The awards were divided as follows: British Columbia, 14; Alberta, 5; Saskatchewan, 12; Manitoba, 2; Ontario, 73; Quebec, 10; New Brunswick, 6; Nova Scotia, 3; and at Rio de Janeiro, members of the Canadian Trade Mission to South America, 5. Rescues and attempted rescues from drowning covered 75 to 80 per cent. of all cases reported, and fully 80 per cent. of the acts of bravery during 1931 were performed by youths. Officers elected for the year 1932-33 were: President, George C. Coppley; Vice-President, Maj.-Gen. Hon. S. C. Mewburn, K.C., C.M.G.; Honorary Treasurer, H. E. McLaren; Honorary Secretary, H. E. Waterman, Hamilton.

Sociology. The 39th Annual Meeting of the National Council of Women met at Ottawa on June 28, 1932, and took the form of a Statutory Executive Meeting to transact the legally required business. Miss M. Winnifred Kydd, National President, was in the Chair. An event of importance during the year had been the appointment of Miss Kydd as a member of the Canadian delegation to the Disarmament Conference at Geneva. The Report of the Corresponding Secretary stated that the activities of the Local Councils had been many and varied in connection with relief work for the unemployed; that the Women's Exhibit at the Canadian National Exhibition, 1931, had been held as usual, and had been opened by Lady Jellicoe; that the views of the Council in favour of Government control of radio had been presented to the Parliamentary Committee on Radio Broadcasting. The Treasurer reported receipts amounting to $7,013 and disbursements of $7,551. Resolutions passed dealt with an itinerary for the National President, the sending of a statement with regard to the Nationality of Married Women to the Governor-General-in-Council, the dispensing with luncheons previously held at the exhibit at the Canadian National Exhibition in view of the withdrawal of the grant from the C.N.E., the holding of the 1933 Annual Meeting in Calgary, and the appointment of the trustees of the Foundation Fund. The Recording Secretary, Mrs. Sydney C. Tweed resigned during the year. Officers elected for 1932-33 were as follows: President, Miss M. Winnifred Kydd, M.A., Montreal; Vice-Presidents, Mrs. Frederick Etherington, Kingston; Miss C. E. Carmichael, New Glasgow; Dr. Augusta Stowe Gullen, Toronto; Mrs. William Dennis, M.A., Halifax; Mrs. Sydney C. Tweed, Waterloo; Mrs. Dunbar Hudson, Winnipeg; and Mrs. George Spencer, Moncton; Corresponding Secretary, Mrs. H. H. Rowatt, Ottawa; Recording Secretary, Mrs. Charles H. Thorburn, Ottawa; and Treasurer, Mrs. W. A. Quibell, Toronto.

The Annual Meeting of the National Council of the Young Men's Christian Association was held at Montreal on Feb. 5-7, 1932, with a registra-

tion of 97 members. This compared favourably with an average attendance in previous years of 115. The Report of the Foreign Work Committee showed total receipts from Canada in 1931 as $46,477, compared with $64,106 in 1930. The total deficit of the Foreign Division for 1931 was reported at $600,000, to offset which the International Committee had set the budget for the next three years at one million dollars annually, the allotment for Canadian Associations for 1932 being $51,810. The Financial Statement of the National Council showed total receipts of $60,560 and total disbursements of $62,620. The Budget for 1932, the smallest since pre-War days, estimated expenditures at $50,771, which included 50 per cent. of the $6,000 accumulated deficit. Receipts were estimated at $55,302. Resolutions adopted referred to problems of administration and finance: advice to local Associations to keep buildings and furnishings in repair, of the importance of building up an endowment fund, of the holding of financial campaigns annually, and of the setting up by the National Council of a scheme for studying the cost of local Association programme and service. Officers elected for 1932 were as follows: President, Col. Gerald W. Birks, Montreal; Vice-Presidents: R. M. Fielding, Halifax, Ellis H. Jones, St. Catharines, and J. H. Cameron, Saskatoon; Treasurer, Charles Bauckham, Toronto; and Secretary, Dr. E. M. Best, Toronto.

The World Conference of the Y.M.C.A. opened in Toronto in July, 1931, with delegates attending from 45 countries. At the session in Cleveland, Ohio, E. G. Baker, Vice-President of the Board of Governors of the Toronto Y.M.C.A., was elected President of the World organization. J. W. Ward, Hamilton, was chosen one of the two Assistant Secretaries.

At the Annual Convention of the National Council of the Young Women's Christian Association held in Toronto, May 26—June 2, 1932, reports of progress during the 1929-32 period were presented. In addition to a greater emphasis on membership and club work, successful regional conferences and others for Camp Leaders, Club Girls, Health Education Leaders and a Joint Summer School with the Y.M.C.A. at Lake Couchiching were recorded. It was reported that Immigration and Travellers' Aid work had continued to serve many thousands, the average for 1929-31 showing 576 ocean liners met; 14,119 newly arrived women referred for follow-up; 143,234 trains met by 55 regular station workers; 26,859 major cases and 54,203 minor cases dealt with in serving 115,054 persons. An average of 81 international cases per month were dealt with during the period under review. The Foreign Department had eight Secretaries in India, China and Japan and administered a budget of $10,488.40 in 1931. The Finance Department reported a spending budget of $31,243.87 and an operating deficit of $2,572.75 for 1931. Officers elected were: President, Mrs. R. W. Angus; Vice-Presidents: Mrs. N. W. Rowell, Mrs. A. E. Langford, Mrs. W. H. Lugsdin; Treasurer, Miss Ann Laidlaw; Corresponding Secretary, Mrs. George Ball; Recording Secretary, Miss Caroline Goad; and National Executive Secretary, Miss H. D. Hobrecker.

The Address of the National President, Mrs. C. E. Burden, delivered at the 32nd Annual Meeting of the National Chapter of the Imperial Order Daughters of the Empire, at Toronto, May 23-28, 1932, included an outline of the activities of the Order during the year 1931-32; it covered unemployment, child welfare, education, immigration, motion picture films, work in India, Memorials, etc. Reference was made to the Imperial Economic Conference, 1932, and to the promotion of Empire Trade. The National Secretary enumerated some of the resolutions sent to the Dominion Government during the year: a call for reduction in armaments; a protest against the immigration of 500 boys into Canada; a request for the retention of the services of occupational therapists in the Canadian hospitals for disabled soldiers and for pensions for the blind. A resolution favouring Government control of broadcasting had been sent to the Secretary of the Canadian Radio League for presentation to the Parliamentary Radio Committee. The version of "O Canada" by Dr. Pilcher was endorsed by the Order. The Organizing Secretary's Report showed that thirty Charters had been issued to new

Chapters during the year 1931-32. Of the total of 656 Chapters, 171 were 100 per cent. subscription Chapters to *Echoes*, the organ of the Order, which reported a net loss for the year of $730. The Committee for Work in India showed a total contribution for 1931-32 from Canada of $3,021 of which $2,081 was contributed toward the Sorabji Building Fund, as compared with $1,752 in 1930-31, and $939 toward the Zenana Bible and Medical Mission. Provincial expenditures on Child Welfare during 1931-32 amounted to approximately $70,000. The Report of the War Memorial Fund showed that for the year ended Apr. 15, 1932, $15,525 had been paid on 17½ Bursaries in Canadian Universities and $14,523 in 9 Post-Graduate scholarships (Overseas). The Report of the Treasurer stated that under the General Fund of the I.O.D.E. receipts totalled $19,705 and disbursements, $18,677. The Stewart Endowment Fund Committee had deemed it inadvisable to launch any active plan of campaign in 1931-32, although $1,697 had been received in this connection from Provincial Chapters; the campaign, however, was to be inaugurated in the Autumn of 1933. Reports of other Committees were also presented at the Meeting. Resolutions adopted by the delagates dealt with the following questions: children's attendance at motion pictures; the sending of a delegate to the Film Section of the Imperial Economic Conference; investigation before naturalization of immigrants; the sale of the I.O.D.E. hospital at Haileybury; a request to the Department of the Interior to reconsider the dispensing with the services of a nurse on the Saanich India Reserve, B.C. Officers elected for the year 1932-33 were as follows: National President, Mrs. C. E. Burden, Toronto; Vice-Presidents, Mrs. James Ince; Mrs. G. E. Dunbar, Mrs. R. W. Nicholson, Mrs. C. H. Willson, Mrs. W. G. Lumbers, and others. Miss Marjorie Gillbard was Secretary of the Order.

The 12th Annual Convention of the Catholic Women's League of Canada held at Toronto on June 6-11, 1932, with delegates representing a membership of approximately 60,000 Canadian women, was opened by His Excellency Most Rev. Neil McNeil, D.D., Archbishop of Toronto, who read a cablegram from Vatican City bestowing special benediction by His Holiness, the Pope. The National President, Mrs. W. J. MacIntyre, in her Annual Address, reviewing the year's work, pointed out that another diocese had been added to the League rolls during the year with 77 new sub-divisions, that affiliation of the League with the St. Elizabeth Visiting Nurses' Association had added strength, "while the Sisters of Service have given inestimable services, especially to new Canadians in the Western Provinces." Reports of the National Secretary, Honorary Treasurer, and other officers and conveners, presented to the Meeting, showed the League to be in a thriving condition and to have a satisfactory financial standing with a total Bank balance at June 1, 1932, of $10,726. There were 500 active branches at May 31, 1932, which had raised approximately $180,000 during the year, 95 per cent. of which had been spent on relief and other work. $2,000 had been spent on four scholarships during 1931-32, and $3,450 had been contributed to the work of the Sisters of Service who staffed the League hostels in most of the large cities of Canada. Resolutions adopted at the Convention included the following: an expression of appreciation and gratitude to His Holiness Pope Pius XI for his many Encyclicals and messages; approval of limitation of armaments; opposition to birth control clinics; an expression of the need of combating with traffic in narcotics; a protestation against Communistic Teachings, and also against immoral literature and films. The National Officers elected for 1932-33 were as follows: Honorary President, Lady Hingston, Montreal; President, Mrs. W. J. MacIntyre, Charlottetown; Vice-Presidents: Mrs. J. C. Keenan, Toronto, Mrs. A. W. Robertson, Montreal, Miss Rose M. McElderry, Guelph; Honorary Secretary, Mrs. J. Coffey, Montreal; Honorary Treasurer, Miss Florence Boland, Toronto.

The Annual Report of the Canadian General Council of The Boy Scouts Association for the year ended Dec. 31, 1931, showed an increase in membership of 11.4 per cent. to a total of 58,500; this was an increase of more than 100 per cent. in ten years. Of the 13,559 proficiency badges earned by Scouts

during 1931, nearly 5,000 represented study and the passing of tests qualifying for Public Service. The total of all Scout and Wolf Cub Proficiency Badges issued was 18,146; 29 medal awards were made to Scouts who "did their duty when the emergency arose"; and 4 trophies and 1 shield were awarded to Troops in first aid and life saving competitions. Much welfare work was accomplished during the year. It was estimated that there had been at least 500 Scout Camps, with an attendance of approximately 15,000 boys in 1931. The Annual Meeting of the Canadian General Council was held at Ottawa, on Apr. 28, 1932, with His Excellency the Governor-General of Canada, the Earl of Bessborough, Chief Scout for Canada, presiding. The badge of the Silver Wolf, the highest honorary decoration of scouting, was presented to Mr. Gerald H. Brown and Major A. A. Pinard for distinguished service. It was resolved at the Meeting that Canada would not send an official contingent to the World Jamboree to be held at Goddolo, Hungary, in 1933. A bronze tablet erected in the Headquarters Building by the contributions of Scouts and leaders throughout Canada to the memory of the late Chief Commissioner, Dr. James W. Robertson, was unveiled in the presence of His Excellency; the dedication address was made by Rt. Rev. J. C. Roper, Bishop of Ottawa. E. W. Beatty was re-elected President. Other officers for the year 1932 were: Chief Executive Commissioner, John A. Stiles, B.A.SC.; Honorary Dominion Secretary, Gerald H. Brown; Honorary Treasurer, Major W. R. Creighton.

The Canadian Council of the Girl Guides Association held their Annual Meeting at Toronto, May 20-21, 1932, co-incidentally celebrating the 21st Anniversary of the founding of the first Canadian company. The General Secretary reported a total active membership of 37,160 at Apr. 1, 1932, an increase of 10 per cent. over the previous year, and a total of 1,368 companies and packs; and the third largest membership of Guides in the world. National organizations affiliated with the Association as kindred societies in Girl Guide training were: the Imperial Order Daughters of the Empire, the Catholic Women's League, the Federated Board of Women's Institutes, the Girls' Friendly Society, and the Dominion Board of the Woman's Auxiliary of the Church of England. The following awards were made for gallantry and good service to the movement during the year: the Gilt Cross, to Miss Helen Burns, Edmonton, for rendering first aid and caring for a badly injured member of an alpine party; Medals of Merit for long and meritorious service to the movement in Nova Scotia, to Mrs. MacCallum Grant and to Mrs. W. E. Tibbs, both of Halifax; three Certificates of Merit to Guide Marie Carley, Barrie, for her rescue of a small child from drowning, to Miss Dorothy Duncan and to Miss Margaret Craigie for good service in building up the movement in Halifax Division. Guide companies throughout the Dominion during 1931-32 made special efforts to help in unemployment relief. Christmas Toy Shops of the Scout-Guide movement numbered 155 at Christmas, 1932, which sent gifts out to over 75,000 children of needy families. Miss Alice Tye, Provincial Commissioner, Saskatchewan, and Miss Ruth Harvey, Guider, Montreal, were appointed Canadian representatives to the second World Conference to be held in Poland in August, 1932. It was announced that the World Chalet near Adelboden, Switzerland, to serve as a holiday home for the Guides of the world and as an international training centre, was to be opened by the Chief Scout and Chief Guide of the World, Lord and Lady Baden-Powell, on July 31, 1932. Officers for 1932-33 were elected as follows: Chief Commissioner, Mrs. H. D. Warren, Toronto; Honorary Secretary, Mrs. Rhys D. Fairbairn, Toronto; Honorary Treasurer, Mrs. R. F. Scott, Toronto; General Secretary, Miss E. A. Riepert, Toronto.

The Canadian Woman's Christian Temperance Union held their 26th (Biennial) Convention at Montreal on June 6-10, 1932, with the acting President, Mrs. F. C. Ward in the chair. The Corresponding Secretary, Mrs. W. T. G. Brown, showed in her Report that the number of Unions, W's and Y's, at May 31, 1932, as 495, with members totalling 18,458 and honorary members, 1,166. Affiliated Loyal Temperance Legions numbered 91, with 2,327

members; and Light Line Unions totalled 5. The most outstanding work of the Union during the three years since the previous Meeting in 1929, was the entertainment of the World's Convention of the W.C.T.U. of June, 1931. During 1931-32 approximately 10,000 certificates were awarded to successful scholars in connection with the Temperance Study Course in the Sunday Schools, an increase of about 100 per cent. over the previous year. The Medal Contest Department reported 1 diamond, 7 grand gold, 42 gold, 125 silver, 33 intermediate, 79 senior bronze, 116 junior bronze, 34 vocal, 4 instrumental and 14 oratorical contests, a total of 455, held throughout the Provinces among Canadian young people and children since the 1930 Dominion Convention. In order to obtain more extensive literature for Reciters in these contests a Medal Contest for that purpose was planned to secure in prose and poetry (suitable for elocutionary rendering) temperance truth of the highest literary standard, as might be revealed in the thoughts of the most gifted thinkers, speakers and writers in each of the nine Provinces. A prize of $50 was offered. The W.C.T.U. resolved to continue the yearly Temperance Educational Study Courses in the Sunday Schools and other societies wherever possible. After careful consideration the Union recorded its belief that Government sale was not a solution of the problem of beverage alcohol. Over one billion dollars had been reported as spent in Government shops since the introduction of this system and the Union saw in this huge sum, lack of home comforts, lessened health, increased sorrow and crime. The Officers elected for the ensuing year were: President, Mrs. F. C. Ward, Toronto; 1st Vice-President, Mrs. T. H. Wright, Vancouver; 2nd Vice-President, Mrs. H. Wilson, Athelstan, Que.; Treasurer, Mrs. James Mabon, Montreal; Corresponding Secretary, Mrs. W. T. G. Brown, Kingston, Ont.; Recording Secretary, Mrs. H. P. Newcombe, Halifax.

Canadian and Empire Clubs. The 1931 Annual Conference of the Association of Canadian Clubs which was to have been held in Regina, Sept. 11-12, was cancelled owing to prevailing economic conditions. The 1932 Annual Meeting was held at Ottawa on Apr. 26, 1932, when the retiring President, Dr. Arthur Beauchesne, K.C., was presented with a handsome silver tray, suitably inscribed, as a token of appreciation and esteem. The Report of the Executive Committee for the year ended June 30, 1932, stated that four Canadian Clubs had been organized during the previous season and that efforts had been made to organize Clubs, under the sponsorship of existing Canadian Clubs, among New Canadians along the same lines as the Hungarian Canadian Club in Calgary. The number of Clubs in existence in Canada totalled 107, a decrease of two from the previous year. During the year under review, the Report stated, the Committee had continued its general policy of suggesting subjects of national importance for addresses to the Clubs and had arranged itineraries accordingly of four speakers to each Club, 445 meetings having been offered to the 107 Clubs. The main subjects were: The World Disarmament Conference, Unemployment Insurance, The Gold Standard, The Russian Five Year Plan, British Columbia and Pacific Problems, and The Canadian Arctic. The organizing of radio broadcasts was a question under consideration during 1931-32. Graham Spry, National Secretary since 1926, resigned during the year. The Officers elected were as follows: President, R. H. Coats, F.R.S.C., F.S.S. (Hon.); Vice-President, Dr. Hugh Laidlaw; Honorary Secretary, T. H. Warren; Honorary Assistant Secretary, Gordon F. MacLaren; Honorary Treasurer, Charles A. Gray.

The Annual Meeting of the Empire Club of Canada was held at Toronto on Dec. 10, 1931, with the retiring President, H. G. Stapells, in the Chair. Addresses delivered at the thirty Meetings held during 1931 included those of the following guests: Hon. G. Howard Ferguson, LL.D., High Commissioner for Canada in Great Britain, Hon. G. D. Robertson, LL.D., Minister of Labour for Canada, Rabbi Barnett Brickner, Tom Moore, Count Paul N. Ignatieff, Sir George Paish, Earl Jellicoe, Hon. H. H. Stevens, Minister of Trade and Commerce for Canada, and His Excellency, the Earl of Bessborough, Governor-

General of Canada. Three of the Meetings had been joint ones with the Canadian Club and one with the Board of Trade. 265 new members were reported for 1931, an increase of 104 over the previous year. The paid-up membership of the Club at Dec. 31, 1931, was 1,469. Officers elected for the year 1932 were as follows: President, Lieut.-Col. George A. Drew; First Vice-President, Lieut.-Col. B. O. Hooper, D.S.O.; Second Vice-President, George D. Davis; Third Vice-President, Dana Cooper. E. M. Morris was Secretary-Treasurer.

Fraternal. The 102nd Annual Session of the Grand Orange Lodge of British America was held at Montreal, June 28-29, 1932. Lieut.-Col., Hon. Thomas A. Kidd, Grand Master and Sovereign, in his address commended the cessation of Canada's Immigration policy "which for the ten years succeeding the Great War resulted in bringing in thousands of non-British immigrants to Canada. These were arriving in such large numbers that they were unable to assimilate them to Canadian conditions." He stated that during this period for every one million non-British entering Canada only one half a million were entering from the British Isles. He urged upon the members the benefit of carrying an insurance policy, particularly in the sound and solvent G.O.L.B.A. Benefit Fund; and also the need of giving their wholehearted support to the work of the Orphanages. According to the Grand Secretary's Report, 6 Primary Lodges were organized and 4 Renewal Warrants were issued; 25 Warrants of the Ladies' Orange Benevolent Association were issued to new lodges, and 1 Renewal Warrant; 3 Orange Young Briton Lodges were organized, and Warrants were issued for 7 new Juvenile Lodges; and 4 Royal Scarlet Chapters received renewal Dispensations. The Grand Treasurers' Report for the year ended Apr. 30, 1932, showed total cash receipts of $60,611, and total cash disbursements of $76,823. The Insurance Department reported 3,641 policies with total insurance in force of $4,052,750 at Dec. 31, 1931. The *Sentinel* Committee reported that during the previous two years over $5,000 had been advanced to the British America Publishing Company by the M.W. Grand Lodge to assist in financing the *Sentinel* and it recommended that fully paid-up shares of the capital stock of the Company be allotted to the M.W. Grand Lodge in settlement. The Committee found that the liquid assets of the *Sentinel* were barely enough to cover the current liabilities and that an amount of $7,500 was necessary to fulfill obligations of unexpired subscriptions and prepaid advertising. It was, therefore, recommended that the Grand Lodge advance the $7,500 and an additional $2,500 to cover further possible operating deficit for the current year. Attention was called to the alarming reduction in the circulation of their official organ. Other resolutions passed recommended: a change in policy by giving all the Provincial Grand Lodges control of their *per capita* assessment and organization; the conferring of the rank of Honorary Past Grand Master upon His Honour Judge E. H. McLean; and the endorsation of the principle of the formation of Past Masters' Associations. It was decided to hold the next Meeting in the City of Regina, Sask. Various changes were made in the Constitution. Officers elected for the ensuing year were: Grand Master, Lieut.-Col. Hon. Thomas Ashmore Kidd, Kingston; Deputy Grand Master, J. Starr Tait, Saint John; Grand Chaplain, Rev. A. E. Smart, Portsmouth, Ont.; Grand Secretary, Loftus H. Reid, J.P., Toronto; Grand Treasurer, R. Hardy-Small, J.P., Toronto.

The 75th Anniversary of the founding of the Grand Chapter of Royal Arch Masons of Canada was celebrated at Hamilton, the birth-place of the organization, co-incident with the 74th Annual Convocation on Feb. 24-25, 1932. The Grand Scribe E. in his Report stated that the year under review had been a very uneventful one. He suggested that an investigation be made of prices paid by Constituent Chapters for rents and for Convocations, which, he declared, were excessive. At Dec. 31, 1931, the total membership of the Grand Chapter was 25,224, and the number of Chapters embraced totalled 159, an increase of two, 158 of which were in Ontario and 1 in the Yukon.

The Grand Treasurer reported Receipts of $18,599 and Expenditures of $16,039. Officers elected for 1933 were as follows: Grand Z., Charles W. Haentschel, M.D., Haileybury; Grand H., Alex. Cowan, Barrie; Grand J., George L. Gardiner, Toronto; Grand Treasurer, George Moore, Hamilton; Grand Scribe E., Edwin Smith, London.

The 53rd Annual Meeting of the High Court of the Canadian Order of Foresters was held at Winnipeg, Man., June 21-23, 1932, the first Convention to be held west of the Great Lakes. The High Secretary reported a total Insurance Fund at Dec. 31, 1931, of $13,715,633 as against $12,937,862 at Dec. 31, 1930, with a total Insurance membership of 47,962 at the end of 1931 compared with 50,656 at the end of 1930. 911 death claims were paid during the year amounting to $877,155; the total amount collected for Premiums was $1,097,044, and interest earned on Investments and bank balances, $678,-045. The balance in Sick Benefit Department No. 1 at Dec. 31, 1931, was $558,655 and in Department No. 2, $1,619. Officers elected for 1932-33 were: High Chief Ranger, W. M. Couper, K.C.; High Vice-Chief Ranger, J. P. Hoag; High Secretary, Alf. P. van Someren; High Treasurer, A. R. Galpin; High Registrar, H. B. Hill; and High Chaplain, Rev. Canon W. L. Armitage.

INTERNATIONAL ORGANIZATIONS

Kiwanis International. The Address of Carl E. Endicott, International President of the 16th Annual Convention of Kiwanis International, in Detroit, Michigan, June 27-30, 1932, stressed the fact that Kiwanis, which was "a vital factor in the business and social life of both the large and small communities of the nation," was more needed than ever in such a time of prevailing distress when "the difficulty is mainly a matter of human relationships." Unemployment relief, vocational guidance, under-privileged child work, boys' and girls' work, and citizenship activity which included naturalization work among the foreign born, night schools for illiterates, get-out-the-vote campaigns, merit awards for citizens giving conspicuous service, school essay contests on citizenship and many other patriotic endeavours, were declared to be the general objectives of Kiwanis for the year. Two special objectives aimed at were: the maintenance of adequate educational facilities and the business-like methods in administrative Government. Officers for 1932-33 were elected as follows: President, Carl E. Endicott, Huntington, Ind.; Vice-Presidents: Joshua L. Johns, Appleton, Wis., and Andrew Whyte, Edmonton, Alta.; Treasurer, Walter R. Wesier, Daytona Beach, Fla. Fred. C. W. Parker, Chicago, Ill., was the Secretary.

Rotary International. The Annual Convention of Rotary International was held in Seattle, U.S.A., June 20-24, 1932. Among the outstanding addresses was the description by the President, Sydney W. Pascall, London, England, of his trip around the world, during which he visited Rotary clubs in South and Central Africa, India, Malaya, Australia and New Zealand. It was the first such journey to be made by a Rotary President while in office. Mr. Justice M. A. MacDonald of the Supreme Court of British Columbia spoke on "The Pacific Bowl." Mrs. James W. Davidson of Calgary and Vancouver described her experiences on the Rotary extension tour of her husband through Southern Asia. Rev. Canon W. T. Elliott of Leeds, England, addressed the Convention on "Rotary's Task in the Present Crisis." Chester W. Rowell, California publicist, spoke on "Roads to International Understanding." The following officers were elected for 1932-33: President, Clinton P. Anderson, Albuquerque, New Mexico; 1st Vice-President, Biagio Borriello, Naples, Italy; 2nd Vice-President, G. Fred Birks, Sydney, Australia; 3rd Vice-President, Allen H. Bagg, Pittsfield, Mass.; Secretary, Chesley R. Perry, Chicago, Ill.; and Treasurer, Rufus F. Chapin, Chicago, Ill. A broad programme of activity had been adopted by the Rotary clubs of Canada for 1931-32, which emphasized especially their duty to improve wherever possible the relations between the several Provinces of Canada and to encourage increasingly intimate relations between the Rotary clubs of Canada and those of the United States and of other countries. John Nelson, Montreal, was appointed Chairman for 1932-33 of the Aims and Objects Committee of Rotary International (co-ordinating the work of the other international committees); James H. Beatty, Victoria, B.C., was appointed Canada's representative on the International Board of Directors; Bruce H. Richardson, Winnipeg, Man., Chairman of the Canadian Advisory Committee and member of the Convention Committee of Rotary International; and William J. Cairns, Toronto, Ont., Chairman of the Boys Work Committee of Rotary International. At the end of the period under review there were 3,529 Rotary clubs with an approximate membership of 152,000.

TRANSPORTATION
FINANCIAL AND INDUSTRIAL
SUPPLEMENT

Annual Addresses and Reports

CANADIAN PACIFIC RAILWAY COMPANY

PRESIDENTIAL ADDRESS OF E. W. BEATTY, K.C., LL.D.

AT THE 51st ANNUAL MEETING*

AND

REPORT FOR THE YEAR ENDED DEC. 31, 1931

Mr. Beatty's 14th Annual Address

While the Annual Report outlines in considerable detail the principal factors influencing the operations of the Company during the past year, it is perhaps desirable that I should review the situation in order that the shareholders may have a full appreciation of the extraordinarily difficult period through which your Company, in common with other transportation companies, is passing.

The year 1931 was a year of phenomenal contraction in the earnings of your rail system and practically every subsidiary enterprise. The Directors and officers of the Company, naturally, directed their efforts to a continuous attempt to effect economies which would in a measure offset the unprecedented fall in gross earnings.

As has been stated on several occasions, your property in years of prosperity was equipped and maintained so that, if a period of depression came, it would be in a position to withstand a siege, even if protracted. The wisdom of this policy has been demonstrated within the past thirty months, during which the world has been visited by an economic storm of unparalleled violence. As early as the summer of 1929 your officers, foreseeing the possible contraction of business, proceeded to husband your resources. A policy of strict economy was put into practice, and capital expenditures were confined to works of absolute necessity and to the completion of undertakings to which the Company was already committed. Notwithstanding the drastic measures of economy adopted the condition of the property is unimpaired, and the service is on a standard worthy of the Company's reputation, built up with painstaking care during the past half-century.

In the process of post-war readjustment, certain uncontrollable increases in the cost of labour and of materials were imposed on railway companies. The proper relation between income and outgo could only be preserved either by a substantial increase in rates of carriage or by the introduction of major economies. A sufficient

*NOTE.—Annual Meeting, May 4th, 1932. For a history of the C.P.R. see *The Canadian Annual Review, 1911;* for Lord Shaughnessy's last Presidential Address, see *The Review, 1918;* for Mr. Beatty's first thirteen Presidential Addresses, see *The Review* from *1919* to *1930-31.*

increase in rates was found to be unattainable, and your Directors and officers therefore found it necessary to give their attention to the alternative. The most effective way of economizing in operating expenses was by providing means for moving the largest possible tonnage of traffic with the fewest possible train miles and car miles. With your approval, your Directors therefore authorized large expenditures for the purchase of locomotives of higher power, and cars of greater capacity.

To admit of the operation of these new units, it was necessary to strengthen or replace many of the older bridges and structures, to lengthen sidings and yard tracks, to enlarge engine houses, to replace gravel ballast with crushed rock on a number of the principal lines, and to increase the weight of the rails in use over a considerable mileage. The most difficult and important work on this list was the strengthening of bridges, and this was steadily proceeded with over a period of years, until now the bridges on every important line of the System have been raised to the standard known as the "Cooper E 60" rating. A bridge of this description is designed to carry two locomotives double-heading, each having four pairs of driving wheels spaced at five feet centres and each driving axle carrying 60,000 pounds; these engines being followed by a train weighing 6,000 pounds per lineal foot. The capital expenditures for new locomotives and new cars of large capacity since 1919 was $72,582,000, and the amount expended on the other improvements to which reference has been made was $42,789,000.

As a result of the work to which I have referred, operating efficiency has been increased very materially. Larger trains are now being hauled, the number of gross tons moved per train mile growing from 1,264 in 1919 to 1,407 in 1931, an increase of 11.3 per cent. There has been a sustained saving in fuel from year to year; in 1919 the fuel consumption per 1,000 gross ton miles was 153 pounds, while in 1931 it was 114 pounds, a saving of 25.5 per cent. In addition, the average speed of freight trains has steadily increased, and overtime and delays have been reduced. Train crew overtime per 1,000 freight train miles has been reduced from 17.3 hours in 1919 to 4.3 hours in 1931.

Principally on account of this increased efficiency, the direct freight train cost, consisting of enginemen's and trainmen's wages and miscellaneous train supplies, which in 1919 was 74.6c for hauling 1,000 gross tons one mile, and which had increased in 1920 to a high figure of 91.2c., was reduced in 1931 to 54.7c, a decrease of 27 per cent. from 1919 and 40 per cent. from 1920. The total savings effected cannot readily be reduced to exact figures as they run through all the operating accounts, but they were most satisfactory.

Notwithstanding the stringent economies effected during the last two years, your equipment is still being maintained at a high standard. At the end of 1931, 93 per cent. of your freight cars were in serviceable condition, as compared with the average of 91 per

cent. for Class 1 Roads in the United States; and 85 per cent. of your locomotives were in serviceable condition, as compared with 78 per cent. for Class 1 Roads in the United States.

It will be within your knowledge that the mileage freight rates on grain, the principal product handled on your Western Lines, are substantially less than those which United States railroads are permitted to charge. Over corresponding distances the rates charged in the United States range from 30 per cent. to 100 per cent. greater than those charged in Canada. Climatic conditions, which have a material bearing on operating costs, are more severe in Canada than south of the line. Wage scales in this country are relative to those of the United States; fuel costs are higher, and traffic density of Class 1 Railways in the United States is about 84 per cent. greater than that of your Company. It is a tribute to the operating efficiency and to the financial policies of your Company that the operating ratio reveals that these handicaps have been overcome.

The extraordinary decline of $67,393,000 in gross earnings since 1929 was offset by a reduction in operating expenses of $49,931,000, with the result that the operating ratio has only increased from 79.43 per cent. in 1929 to 81.96 per cent. in 1931. The Company in 1931 earned its fixed charges, its preference dividend and 63c per share on its ordinary stock. Working Assets at the close of the year were $63,879,835 and Current Liabilities $14,090,869, an excess of $49,788,966, or a ratio of 4.5 times. The anticipated capital expenditures of approximately $4,000,000 for the year are materially less than those of previous years.

The Company's balance sheet shows the following principal changes from 1930: On the Assets side, the increase in railway rolling stock, lake and river steamers and hotels amounts to $30,694,072, made up of branch line construction, additions and improvements to main and branch lines, expenditures on leased and acquired lines and on rolling stock equipment. Your investment in ocean and coastal steamships increased by $2,262,730, representing mainly the final payment on the "Empress of Britain" of $2,194,836. Acquired securities increased $12,191,916. Of this amount $5,512,000 is due to the capitalization of advances made to Controlled Properties. Advances to Controlled Properties decreased $12,162,255, due to the capitalization of advances above stated, and the transfer to property investment of amounts advanced in excess of securities issued. Assets in lands and properties decreased $3,462,797, due mainly to our practice of writing down the value of unsold lands. Materials and supplies on hand decreased $3,962,710. Traffic balances decreased $1,521,094, largely due to the adjustment made in the Canadian Pacific Express Accounts by the writing off of outstanding balances accrued against that company. Cash in hand decreased $14,806,748.

On the Liabilities side, your capital stock increased $7,903,333, due to the issue of £1,625,000 preferred stock mentioned in the

Annual Report. Equipment obligations increased $3,875,663, and Current Liabilities decreased $1,492,942. Reserves and Appropriations in the aggregate decreased $1,822,617, and the account "Premium on Capital Stock Sold" decreased $2,011,997, due principally to charging it with the discount on Preference Stock issued in the year. Net proceeds of lands and townsites decreased $4,108,795, due to excess of cancellations and expenses over sales and interest, expenses of the Department of Colonization and Development and interest on outstanding note certificates. The surplus revenue from operation decreased $19,242,978, and surplus in other assets increased $1,101,042.

The earnings and expenses during the first quarter of the year 1932 indicate that the reduction in gross earnings has not been substantially checked, though the percentage decreases for the months of February and March are less than for the month of January. Gross earnings during the three months decreased $6,508,000, and the economies effected throughout the system resulted in a decrease in working expenses of $6,060,000, leaving a moderate decrease in net earnings for the quarter of $448,000, or, in other words, the decrease in expenses has absorbed 93.1 per cent. of the decrease in gross earnings. Of the decrease in gross earnings, approximately $1,000,000, or 17 per cent., was due to lesser movement of grain.

The operations of your steamships have, of course, been seriously affected, due to decreased travel and interchange of commodities between Great Britain and Canada and between Canada and the Orient. The situation has not been made easier by the national character of the competition which has developed since the War, many lines having been assisted by Governments and States in the construction and operation of vessels. Notwithstanding this help, steamship companies, as a whole, have not been able to show anything like adequate earnings. Apart from moderate amounts received by way of compensation for the carriage of mails, your Company has not had any Government assistance in carrying on its very important service to and from Canadian ports. In reviewing the past ten years, your Directors are satisfied that the Company's practice of substituting modern for obsolete tonnage was absolutely sound, even though in recent years the earnings have not been satisfactory. Both travel and trade inevitably go to the newer and faster vessels, and your well-balanced fleet has been able to retain its full share of the traffic, a substantial portion of which would otherwise have been diverted elsewhere, with consequent heavy losses to your rail as well as your steamship lines.

At the end of 1931, your Company's investment in the Consolidated Mining & Smelting Company of Canada was represented by a holding of 291,034 shares of capital stock, or 51.64 per cent. of the shares outstanding. The total cost of your investment in the Consolidated Company was $15,228,394, and the total cash received on the investment as interest and dividends to the end of 1931 was $21,-

215,612, and in addition that company contributed by way of freight earnings during the last ten years an average of over $3,400,000 per year. The industry is the largest in British Columbia and its prosperity is a matter of vital importance to that Province, particularly the southern portion. Your investment in the Consolidated Company has been most fortunate, and has had valuable direct and indirect consequences to your Company's operations. A moderate strengthening in metal prices will restore the earning power of the Consolidated Company, and its manufacture of fertilizer promises to be a definite success.

A brief statement as to the sources of our revenues and the disposition made of them in 1931 may be of interest.

The Company's rail revenues were derived in the following percentages. From products of agriculture 21.62 per cent.; from manufacturing and miscellaneous commodities 22.64 per cent.; from passengers 15.92 per cent.; from products of mines 9.59 per cent.; from products of forests 5.50 per cent.; from products of animals 3.77 per cent.; from merchandise 4.36 per cent.; from special income 7.15 per cent.; from mail and express 4.45 per cent.; and from various small miscellaneous items 5 per cent. Freight therefore contributed 67.48 per cent., and passenger, mail and express 20.37 per cent.

In the disbursement of these revenues, working expenses of the railway take 76.10 per cent. of the revenue, divided as follows: Transportation, including sleeping, dining and parlor cars 38.02 per cent.; maintenance of way and structures 13.8 per cent.; maintenance of equipment 12.83 per cent.; traffic, general expenses and taxes 10.92 per cent. Fixed charges account for 14.38 per cent., and dividends exclusive of that paid from surplus 9.03 per cent. Pensions account for slightly less than one-half of one per cent., and lake and river steamers slightly more than that.

An analysis of expenditures indicates that salaries and wages account for 65.66 per cent., materials and supplies 19.31 per cent.; fuel 10.35 per cent.; taxes 3.4 per cent., and loss and damage, injuries and insurance 1.28 per cent.

An Act of Parliament, the application for which was referred to in the Annual Report, has been passed, authorizing the Company to issue from time to time additional consolidated debenture stock to an amount which, together with the secured obligations of the Company at such time outstanding, shall not exceed one-half of the Company's property investment.

Your Directors are persuaded that this legislation provides the Company with means of financing, at once conservative and flexible, enabling it to obtain new capital on favourable terms at times when conditions are unfavourable to the issue of ordinary or preference stock. Such conditions exist at the present time, and accordingly a resolution will be offered to you to authorize your Directors to issue and dispose of consolidated debenture stock in such amounts and at

such times as they shall deem expedient, not exceeding in the aggregate fifty million dollars, for the purpose of defraying in part the capital cost of extensions, additions and improvements of the property of the Company heretofore made, and to be made during the current year.

Your Company has no major transportation enterprise in prosecution or in contemplation, but of necessity its policies will, subject to your approval, be open to revision if any important change in the economic or transportation situation should develop.

It is essential that the Company should at all times have a strong cash position, and that it should have liquid resources available. This consideration has led your Directors to ask your authority to restore to the treasury a portion of the moneys appropriated from surpluses in former years which have not been capitalized in any form.

Shareholders are aware that new forms of competition are seriously encroaching on railway earnings. Canada is developing and improving its waterways, making them available for larger tonnage at no cost to those that use them, thus permitting transport of goods at a cost below that which railways must charge. Private and public automobiles, buses and trucks operating on public highways are increasingly withdrawing traffic from the railways. Speedy transport is also taking place in the air. Wireless communication is rapidly coming into competition with telegraphs. Canada in the past has been peculiarly dependent on steam railways for opening its territory and providing proper communication and transportation facilities between the industrial East and the agricultural West. Obviously their future development and use must have regard to these new conditions. The whole subject is now being considered by the Royal Commission on Transportation, whose Report will be awaited with interest. Meantime, I can assure you that the subject is receiving the serious consideration of the officers of the Canadian National Railways and of your Company.

As I have mentioned on previous occasions, your Company is very intimately concerned with all measures which tend to improve the agricultural and industrial situation of the country, and has been, perhaps, the most active and outstanding agency of colonization in Canada. It has always recognized the importance of the general question of settlement of vacant lands in the Dominion, because of the national benefit that would thereby accrue, in which your Company would largely share.

From the frequent reports appearing in the press, you are familiar with the success that has thus far attended the efforts of the Colonization Departments of the railways, working in the closest co-operation with the Dominion Department of Immigration and Colonization in respect to "back-to-the-land" activities. A very large number of families and individuals from cities and towns with limited funds have been enabled not only to provide their own sub-

sistence from the land, when previously they were exposed to the hazards of urban unemployment, but were also afforded the opportunities of permanent settlement.

While this particular type of settlement work is being continued, the question has inevitably arisen as to what is to be done about the settlement of suitable experienced families now in Canadian cities and towns who, while desirous of going on the land, are without funds. Many land settlement proposals have been made by provinces and municipalities, chiefly as measures to relieve unemployment. All of these, however, necessarily involve some form of assistance. In connection with these proposals it would seem that the important principle to bear in mind is that a significant proportion of permanent settlement would undoubtedly result. Given the safeguards of proper selection of families with respect to experience, judicious location, and other usual colonization factors, it does appear that there is need and room for some measure of assistance by the authorities referred to. This has been recognized, and you will recall from a recent announcement by the Dominion Government, that it is prepared to join with the provinces and municipalities in providing funds. It is considered desirable that the services and experience of the Department of Immigration and Colonization of your Company should be available in this undertaking, working in co-operation with the Government authorities.

Important as these considerations are, they form only a part of what awaits accomplishment in the necessary effort to improve general conditions now, and the necessity for giving due thought to the future. Canada is still predominantly agricultural. Your Company has always realized the necessity for the influx of capital into the country, and has, therefore, consistently held the view that the immigration of experienced agricultural families who have sufficient means to establish themselves on the land should be welcomed at all times.

With the prevailing prices of land, low cost of equipment and livestock, it is not difficult to appreciate the arguments of those who consider that every effort should be made to encourage the settlement of agricultural families of suitable type who will be a benefit to the country because of the capital and experience they bring with them, providing employment for others, and adding to the home market. In the "back-to-the-land" movement the country benefits because people are "helped to help themselves," the new capital and the energy of the agricultural settler providing an important stimulus and benefit to the Dominion, both now and in the future.

Reliable statistics indicate that there are approximately thirty million acres of land still available for settlement in the Prairie Provinces, within a radius of fifteen miles of existing railway lines. Potential freight revenue from the settlement and productive use of vacant lands tributary to the railway is of vital interest to the Company. Present difficulties should not dull the memory of what

has been accomplished in the past through well-directed colonization efforts, or obscure the view of what is necessary for the future.

I am glad to be able to say to you that all reports we receive indicate that the crop prospects in Western Canada are better at this season than at the same time in any of the last three years. A wheat crop of from four to five hundred million bushels, which it seems now might reasonably be anticipated, would be of incalculable benefit to the country as a whole, and to your Company.

There is also reason to hope that substantial benefit will accrue from the forthcoming Imperial Economic Conference. I have always held the view that the Dominions and the Motherland have it within their power to effect a marked improvement in Empire trade. It is to be hoped that wise counsel will prevail and much good result from the deliberations about to take place.

51st ANNUAL REPORT OF THE C.P.R.

The accounts of the Company for the year ended December 31, 1931, show the following results:—

Gross Earnings		$142,337,648.25
Working Expenses (including all taxes)		116,654,776.02
Net Earnings		$ 25,682,872.23
Special Income		10,951,963.74
		$ 36,634,835.97
Deduct Fixed Charges		22,050,364.05
Surplus		$ 14,584,471.92
Contribution to Pension Fund		750,000.00
		$ 13,834,471.92
From this there has been charged a half-yearly dividend on Preference Stock of 2 per cent., paid October 1, 1931	$ 2,665,558.60	
And there has been declared a second half-yearly dividend on Preference Stock of 2 per cent., payable April 1, 1932	2,745,138.42	
		5,410,697.02
		$ 8,423,774.90
There has been charged three quarterly dividends on Ordinary Stock of 1¼ per cent. each, paid June 30, 1931, October 1, 1931, and December 31, 1931	12,562,500.00	
And there has been declared from surplus, a further quarterly dividend on Ordinary Stock of 1¼ per cent., payable April 1, 1932	4,187,500.00	
		16,750,000.00
Leaving a Balance chargeable to Surplus		$ 8,326,225.10

SPECIAL INCOME FOR YEAR ENDED DECEMBER 31, 1931

Net Revenue from Investments and Available Resources, Exhibit "C"	$ 3,191,588.87
Interest on Deposits, and Interest and Dividends on Other Securities, and results of Separately Operated Properties	5,648,600.03
Net Earnings Ocean and Coastal Steamship Lines	487,516.45
Net Earnings Commercial Telegraph and News Departments, Hotels, Rentals and Miscellaneous	1,624,258.39
	$ 10,951,963.74

Earnings and Expenses. The working expenses for the year, including all taxes, amounted to 81.96 per cent. of the gross earnings, and the net earnings to 18.04 per cent., as compared with 78.81

per cent. and 21.19 per cent. respectively in 1930. Excluding taxes, the ratio of working expenses to gross earnings was 79.17 per cent. and in 1930 76.50 per cent.

The gross earnings from railway operations for the year were less by $40,224,151, freight earnings decreasing $24,427,239, passenger earnings $8,428,121, and miscellaneous earnings $7,368,791.

Working expenses were decreased by $27,219,350, resulting in net earnings of $25,682,872, or a decrease from the previous year of $13,004,801.

For the purpose of the above comparisons the figures of 1930 have been re-stated to include the operations of the subsidiary lines taken into the Company's railway accounts during 1931.

The reduction in gross earnings is accounted for by decreased movement in all branches of traffic. No enterprises have been hit harder by the world-wide depression than the Railway and Express Companies of Canada and the United States.

Your subsidiary, the Canadian Pacific Express Company, was not able to pay in full the revenues guaranteed to your Company under the terms of its contract for express privileges. In consequence, the amount by which the payments made to your Company during the year fell short of that guaranteed has been deducted from the earnings as reported periodically throughout the year. A new contract has been concluded since the close of the fiscal year whereby your Company receives the total net earnings of the Express Company derived from its operations on the railway.

Prior to 1930, it was the Company's practice when equipment was retired to charge to expenses the current cost of the new unit without regard to any increase of capacity over that of the unit retired. Beginning with that year, this practice was changed and the cost of the worn-out or destroyed unit has been retired from investment and charged to expenses. Due to the substantial decrease in the volume of traffic during the past two years, every effort was made to secure maximum use of the larger and more economical locomotives and cars. Maintenance and transportation expenses were benefited thereby. The lesser use made of the older equipment of smaller capacity had the effect of reducing the number of such units retired during 1931, thereby reducing the expenses for the year.

During the year the Company continued to aid the unemployment situation by anticipating renewals. The expense in connection therewith will be charged into the Company's income accounts at the time the work would ordinarily have been performed.

Separately Operated Railways. For many years accounts in connection with certain subsidiary railway companies whose lines are leased to your Company and whose earnings might, therefore, have been merged with the railway earnings of your Company, have been kept separate. It has been decided to change this practice.

Effective January 1, 1931, the operations of the Kettle Valley Railway Company were consolidated with those of your Company, and at July 1, 1931, the operations of the Algoma Eastern Railway, The Fredericton & Grand Lake Coal and Railway and the New Brunswick Coal and Railway were also included. Commencing January 1, 1932, the operating accounts of all other subsidiary steam railway companies whose lines are leased to your Company will be incorporated with the railway operating accounts of your Company. The operating results of the electric lines—the Grand River Railway and the Lake Erie & Northern Railway—will be carried into Special Income.

The Esquimalt and Nanaimo Railway Company over a period of years accumulated surplus earnings of $1,040,167, which sum was credited to Special Income in 1930. Operating deficits of other separately operated railways for 1930, amounting to $698,880, were debited to Special Income, leaving a net credit to Special Income from these sources in 1930 of $341,287. The amounts debited in that year included $513,952, representing this Company's one-half share of the deficit on Northern Alberta Railways, in which your Company is equally interested with Canadian National Railways.

The Kettle Valley Railway Company at the date of the consolidation of its operations with those of your Company had accumulated surplus earnings amounting to $1,823,010, which has been credited to Special Income in 1931. An excess of deficits over surpluses from other separately operated railway companies for 1931, amounting to $869,845, has been debited to Special Income, leaving a net credit from these sources in the Special Income of 1931 of $953,165. The deficits referred to include $571,177, representing one-half the deficit for 1931 on Northern Alberta Railways.

Economies. The drastic reduction of $27,219,350 in the working expenses for the year, following upon a reduction of $23,934,266 effected in 1930 (a total reduction from 1929 of $51,153,616), indicates the efforts of the management to offset so far as possible the acute decrease in gross earnings.

Subject to the obligation of providing the public with adequate service, and to the duty of maintaining the property in sound operating condition, no opportunity of curtailing outlay has been neglected. Passenger train service has been reduced to the extent of 3,258,609 train miles per annum, and the trains continued have been operated with fewer coaches. Five operating divisions have been eliminated by consolidating offices and staffs and a number of stations have been closed. The number of locomotives in service has been reduced with a saving in terminal and other expenses through the extension of locomotive runs in various districts. The lessened service required of equipment has enabled it to be maintained with less repair work, and the main shops were closed at intervals during the year. The restriction of activity in all branches

of operations has in turn affected the purchases of material, the total expenditures for stores and supplies of all kinds showing a reduction from 1930 of over 42 per cent.

Early in the year your Directors determined upon a ten per cent. reduction in the salaries and wages of all officers and employees. At the date of this report the reduction has been applied to the majority of the payrolls, and steps have been taken to apply it to the remainder at an early date.

On the basis of payroll figures for the year 1931 it is estimated that the reductions in compensation made, and to be made, represent approximately $9,000,000 per annum.

Your Directors cannot conclude this portion of the report without paying unstinted praise to the spirit and loyalty of the officers and men of the Company during an exceedingly trying year. Efficient service by all employees of every rank is rendered as a matter of course, but the past year has given impressive evidence of the devotion of the officers and men to the Company's interests. Your Directors desire to express their sincere and grateful appreciation.

Dividends. It will be observed that the payment for the full year of a dividend of five per cent. on the Ordinary Capital Stock, has necessitated encroachment on the Company's surplus reserve, the earnings within the year not having been sufficient to provide the amount required for this purpose.

It has been the practice of the Company for many years to pay dividends on its Ordinary Capital Stock in New York funds, but, in view of the cost of providing such funds at the present rate of exchange, the quarterly dividend payable on April 1, 1932, has been declared payable in Canadian funds.

In view of the difficulty under present conditions of making a reliable forecast of the results of the Company's operations in the immediate future, your Directors have deemed it wise to revert to the practice of considering dividends on its Ordinary Capital Stock half-yearly instead of quarterly. The question of dividend on the Ordinary Stock will, therefore, not be considered by the Board until its August meeting, at which time the actual earnings for the first half of 1932 will be known, and an estimate can safely be made of the Canadian grain crop.

Land Sales. The sales of agricultural lands for the year were 87,687 acres for $1,254,100.95, being an average of $14.30 per acre. Included in this area were 7,798 acres of irrigated land which brought $42.25 per acre, so that the average for the balance was $11.57 per acre.

Concessions to Land Contract Holders. Your Directors having decided that the economic conditions presently prevailing

among the Company's land contract holders warrant, if they do not imperatively require, the writing off of some measure of their obligations in order to keep them on the land and to induce fulfilment of their contracts, have authorized the extension of relief to all purchasers from the Company under existing land contracts in accordance with the following conditions:—

1. The Company voluntarily to remit one year's interest on the total amount owing under the terms of the land contract (excluding taxes paid, if any).
2. The Company to remit a second full year's interest provided:
   (a) The purchaser has first paid the equivalent of one year's taxes.
   (b) The purchaser delivers to the Company a one-third share of crop under crop agreement acceptable to the Company; or pays in cash the equivalent of one full annual instalment under the land contract.
3. The Company to give an additional credit on arrears of interest of one dollar for each dollar paid in cash or by delivery of crop, this credit to extend only to extinguishing arrears of interest.
4. These provisions to apply to all payments made by contract holders either in cash or by delivery of crop, between January 1 and December 31, 1932.

Issuance of Securities. During the year the Company issued £1,625,000 Four Per Cent. Preference Stock. In view of the unsettled financial conditions existing during the later months of last year, your Directors considered it undesirable to make any further issue of the Company's securities at that time, and arrangements were made to provide funds necessary for the Company's undertakings by issuing Short Term Notes to the extent of $25,000,000 at favourable rates of interest.

Hotels. The operation of the Company's hotels resulted in a decrease in earnings of $372,337 under those of the previous year due principally to the falling off in both commercial and tourist business which was general over the North American continent; indeed, at no time since your Company established hotels as auxiliary to its railway and to stimulate tourist and convention travel, has the hotel business been at such a low ebb. The net earnings of the Royal York Hotel were, however, well maintained, amounting to $477,091, or only $18,245 less than 1930.

Your Directors have given consideration to the advisability of closing the Place Viger Hotel in Montreal, erected in 1897, and enlarged and modernized in 1912. Its revenues have been unsatisfactory for some years, mainly in consequence of the erection of large and modern hotels in the centre of the city. A final decision as to the action to be taken will not be made until the autumn, so that the benefit of the summer traffic will not be lost.

The operations of the Lord Nelson Hotel at Halifax, in which your Company has a substantial stock interest, have been affected by the general subnormal commercial conditions and the existence

of surplus hotel accommodation in that city, provided since the Lord Nelson Hotel was built. An agreement has been entered into with the bondholders of the Lord Nelson Hotel whereby the interest on the bonds has been guaranteed by your Company in consideration of the bondholders reducing the interest from 6½ per cent. to 4 per cent. and postponing the sinking fund instalments to November 1, 1933.

Canadian Pacific Steamships, Limited. The operating results of your combined Atlantic and Pacific fleets for the year have been satisfactory, considering traffic conditions, the Company having in the year received its full share of the business offering.

Due to the reduction in tonnage requirements in consequence of the existing depression, three of the older vessels of the fleet, namely, the "Bolingbroke," the "Bothwell" and the "Metagama," were laid up for the entire season and other ships were withdrawn for temporary periods.

Your Directors are glad to report that the operations of the "Empress of Britain," the newest and largest vessel in your Atlantic service, have been satisfactory, having shown an operating profit on voyages during the regular Atlantic season of $396,158. This vessel is now on a World's Cruise, with estimated gross revenues of $1,300,000.

No serious casualties to the vessels of your fleet took place in 1931.

After providing for the distribution of part of the surplus earnings of the Allan Line Steamship Company, to which reference was made in the last Annual Report, there remained to the credit of the Allan Line Deposit Account in Reserve Fund for Contingencies a balance of $8,363,599, which has now been transferred to Steamship Replacement Reserve. As a result of this transfer fully adequate provision has been made for replacement and no further provision has been made from the year's income account.

Canadian Australasian Line. To promote its interest in traffic between Canada and Australia and New Zealand, your Company during the year acquired a half interest in the motorship "Aorangi" and the steamship "Niagara," theretofore operated by the Union Steamship Company of New Zealand between Vancouver, Auckland and Sydney. The price agreed upon was £500,000, which, by arrangement with the Union Steamship Company, was paid by the delivery of Canadian Pacific Preference Stock to the amount of £625,000 at an agreed price of 80.

For the purpose of carrying out the transaction, the Canadian Australasian Line, Limited, was incorporated in Canada, to which the vessels were transferred by the Union Steamship Company in consideration of the issue of 48,666 shares of the par value of $100

each, one-half of which were then purchased by your Company in the manner described.

The principal office of the new company is at Vancouver, and its directorate is composed of nominees of the two companies in equal numbers.

Agreements. Your confirmation and approval will be asked of the following agreements made by your Directors during the past year:

1. Agreement dated as of January 1, 1927, between His Majesty the King in right of the Dominion of Canada, of the one part, and your Company, of the other part, whereby your Company has been granted the joint use and enjoyment of the passenger station and passenger facilities of the Crown at Saint John, New Brunswick, on the basis of paying one-half the interest charge on capital account and a wheelage proportion of maintenance and operation expenses.

2. Agreement dated October 21, 1931, between your Company, of the first part, Canadian Pacific Steamships, Limited, of the second part, and Canadian National Railway Company, of the third part, providing for co-operation on the part of the Canadian National Railway Company with your Company and the Steamship Company in the solicitation, booking and carriage of freight, passenger and express traffic on the ships of your Company to and from Canadian Atlantic ports.

Branch Lines. Construction work was proceeded with on branch lines in Western Canada already authorized by the shareholders; 162.9 miles being graded, 300.8 miles of track laid, and 67.2 miles ballasted on these lines. The greater portion of this mileage was built in accordance with the terms of the agreement with the Government of Canada, to which reference was made in the last Annual Report.

At the close of 1931 we were within sight of the end of a construction programme begun in 1919. Your Directors are not recommending for approval any new construction during the present year, the only work to be done being to complete lines already partially built. It is not anticipated that any projects of major proportions will require to be undertaken in the near future.

The branch line construction has, to a large extent, been in the more northerly portions of Saskatchewan and Alberta, where the most active development may be expected. These districts, which are more or less wooded, come more slowly into tonnage production than lands to the South, but when cleared are very productive and not subject to periods of drought. In carrying your lines into this territory, your Directors are of the opinion that they have strengthened and stabilized the future earning power of the system. The results obtained so far have been encouraging; the territory served is being brought under cultivation rapidly, and the yield of grain products per acre has been of satisfactory volume.

Minneapolis, St. Paul & Sault Ste. Marie Railway Company. The crop failure of 1931 in the territory served by your subsidiary,

the Soo Line, and the severe business depression, resulted in a very poor year for that property. Its losses in traffic were due in particular to a greatly decreased movement of commodities that formerly contributed its heaviest tonnage and largest revenues, such as grain and grain products, lumber and forest products, coal and iron ore.

The territory served by the Soo Line, save the extreme western portion, has enjoyed this year more moisture and a large amount of fall plowing was completed, so that the whole territory is in excellent condition for early seeding.

The increased production of livestock and livestock products from the Soo territory has been very beneficial notwithstanding the lower prices received. Increased diversification has greatly helped the farmer and the business man.

The management has put into effect many permanent economies, the property is well maintained and its officers feel confident that the present year will show better results than in 1931.

During the past year the Company issued, for its capital requirements, $12,500,000, 5½ per cent., First Refunding Mortgage Bonds to mature July 1, 1978, upon which your Company guaranteed the interest. This guarantee enabled the Company to market the bonds to better advantage and so protect your Company's interest in the property.

The Company being unable to fully provide for the half-yearly interest due January 1, 1932, on its First Consolidated Mortgage Bonds, it became necessary for your Company under its guarantee of such interest to advance an amount of $1,400,000, which amount was obtained by loan of $900,000 from the National City Bank of New York, and $500,000 from the First National Bank, Chicago, on this Company's short term promissory notes.

It is to be remembered that your Company's interest in the Minneapolis, St. Paul and Sault Ste. Marie Railway Company has been a valuable asset, and with the return of normal conditions repayment of any advances made to it may be confidently expected.

Duluth, South Shore & Atlantic Railway Company. During the year a new ore dock has been constructed at Marquette, Mich., by the South Shore Dock Company, a subsidiary of the Duluth, South Shore & Atlantic Railway Company, to which the dock has been leased at a rental equal to the amount required to meet the principal and interest of $1,000,000 5 per cent. First Mortgage Bonds of the Dock Company as they mature serially over a period of fifteen years. The total cost of the dock was approximately $1,350,000, and to assist in financing it your Company temporarily advanced to the Duluth, South Shore & Atlantic Company $350,000, and also guaranteed the payment of the rental.

Dominion Agricultural Credit Company, Limited. Your Directors authorized a subscription by the Company of $500,000 to

the capital of the Dominion Agricultural Credit Company, Limited, organized under Dominion Charter with a view to the promotion of diversification of farming in the Prairie Provinces. Ten per cent. of the subscription has been called and paid.

Capital Expenditures. In anticipation of your confirmation your Directors authorized capital appropriations, in addition to those approved at the last Annual Meeting, aggregating for the year 1931, $4,760,833, and ask your approval of expenditures on capital account during the present year of $4,047,921. Of this amount the principal items are:

Replacement and enlargement of structures in permanent form ..	$ 148,327
Additional stations, round houses, freight sheds and shops, and extensions to existing buildings	4,306
Tie plates, rail anchors, ballasting, ditching and miscellaneous roadway betterments	2,725,829
Replacement of rail in main and branch line tracks with heavier section	482,982
Installation of automatic signals	42,906
Additional terminal and side track accommodation	43,299
Improving coaling and watering facilities	16,270
Mechanical Department, machinery at various points	27,848
Improvements in connection with telegraph service	363,312
British Columbia Coast Steamships	22,925

The balance of the amount is required for miscellaneous works to improve facilities and effect economies over the whole system.

Consolidated Debenture Stock. Your Company's power to issue Consolidated Debenture Stock is limited by the various Acts of Parliament relating to the Company to specified rates per mile in the case of railways and to cost in the case of steamships. The amount so authorized is considerably less than one-half of the property investment of the Company, the greater part having been supplied by the issue of Ordinary and Preference stock and by surplus earnings.

Having regard to present economic conditions and the probable future capital requirements of the Company, the Company is applying to Parliament at the present session for authority to issue from time to time additional Consolidated Debenture Stock, to an amount which, together with the outstanding consolidated debenture stock, bonds, debentures and other obligations, including equipment obligations, secured by mortgage of or charge upon the undertaking of the Company, shall not exceed one-half of the Company's property investment.

Royal Commission on Transportation. The shareholders of the Company are, no doubt, aware through the public press that the Government of Canada has appointed a Royal Commission to enquire into the whole problem of transportation in Canada, particularly in relation to railways and shipping, and communication

facilities therein, having regard to present conditions and the probable future development of the country, and to report their conclusions and make such recommendations as they think proper. The necessity for such an investigation has been generally recognized. The Commission has not yet concluded its labours.

Stock Holdings. The holdings of the Ordinary and Preference Stocks of the Company in December, 1931, were distributed as follows:

	Ordinary		Preference		Percentage of Ordinary and Preference combined
	No. of holders	Percentage of Stock	No. of holders	Percentage of Stock	
Canada	35,378	20.04	55	.46	14.36
United Kingdom and other British	21,773	44.80	26,896	97.12	59.97
United States	15,254	29.03	31	.59	20.78
Other Countries ...	4,641	6.13	174	1.83	4.89
Total	77,046		27,156		

Retiring Directors. The undermentioned Directors will retire from office at the approaching Annual Meeting. They are eligible for re-election.

MR. GRANT HALL
MR. R. S. MCLAUGHLIN
MR. E. R. PEACOCK
MR. W. N. TILLEY, K.C.

For the Directors,

E. W. BEATTY,
President.

Montreal, March 14, 1932.

EXECUTIVE COMMITTEE

MR. EDWARD W. BEATTY
SIR CHARLES GORDON, G.B.E.
SIR HERBERT S. HOLT
HON. FREDERICK L. BEIQUE, P.C., K.C.
MR. GRANT HALL
MR. W. N. TILLEY, K.C.

BOARD OF DIRECTORS

MR. EDWARD W. BEATTY ..... Montreal
HON. FREDERICK L. BEIQUE, P.C., K.C., SENATOR ..... Montreal
MR. W. A. BLACK ..... Montreal
COL. HENRY COCKSHUTT ..... Brantford
SIR CHARLES GORDON, G.B.E. ..... Montreal
MR. GRANT HALL ..... Toronto
MR. JOHN W. HOBBS ..... Montreal
SIR HERBERT S. HOLT ..... Montreal
RT. HON. REGINALD McKENNA ..... London, Eng.
MR. ROBERT S. McLAUGHLIN ..... Oshawa
MR. ROSS H. McMASTER ..... Montreal
COL. FRANK S. MEIGHEN, C.M.G. ..... Montreal
MR. E. R. PEACOCK ..... London, Eng.
MR. JAMES A. RICHARDSON ..... Winnipeg
RT. HON. LORD SHAUGHNESSY, K.C. ..... Montreal
MR. ROBERT C. STANLEY ..... New York
MR. W. N. TILLEY, K.C. ..... Toronto
MR. W. J. BLAKE WILSON ..... Vancouver

GENERAL BALANCE SHEET

DECEMBER 31st, 1931

ASSETS

PROPERTY INVESTMENT:		
Railway, Rolling Stock Equipment, Lake and River Steamers and Hotels	$868,448,442.64	
Ocean and Coastal Steamships, Exhibit "A"	116,397,891.30	
Acquired Securities (Cost): Exhibit "B"	177,154,694.80	
		$1,162,001,028.74
ADVANCES TO CONTROLLED PROPERTIES		9,458,713.74
INVESTMENTS AND AVAILABLE RESOURCES:		
Deferred Payments on Lands and Townsites	$ 52,877,075.10	
Provincial and Municipal Securities	792,721.29	
Miscellaneous Investments, Exhibit "C," Cost	32,398,329.24	
Assets in Lands and Properties, Exhibit "D"	59,216,053.35	
		145,284,178.98
INSURANCE PREMIUMS PAID IN ADVANCE		264,832.21
WORKING ASSETS:		
Material and Supplies on Hand	$ 21,482,561.67	
Agents' and Conductors' Balances	4,746,078.02	
Net Traffic Balances	382,373.72	
Imperial, Dominion and United States Governments, Accounts due for Transportation, etc.	2,795,675.53	
Miscellaneous Accounts Receivable	10,496,432.03	
Cash in Hand $21,876,713.69		
Dominion Government Bonds 2,100,000.00		
	23,976,713.69	
		63,879,834.66
		$1,380,888,588.33

LIABILITIES

CAPITAL STOCK:		
Ordinary Stock	$335,000,000.00	
Four Per Cent. Preference Stock	137,256,921.12	
		$472,256,921.12
FOUR PER CENT. CONSOLIDATED DEBENTURE STOCK $398,911,548.74		
Less: Collateral as below* 107,500,000.00		
		291,411,548.74
TEN YEAR 5% COLLATERAL TRUST GOLD BONDS (1934)*		12,000,000.00
TWENTY YEAR 4½% COLLATERAL TRUST GOLD BONDS (1946)*		20,000,000.00
TWENTY-FIVE YEAR 5% COLLATERAL TRUST GOLD BONDS (1954)*		30,000,000.00
THIRTY YEAR 4½% COLLATERAL TRUST GOLD BONDS (1960)*		25,000,000.00
TWENTY YEAR 4½% SINKING FUND SECURED NOTE CERTIFICATES (1944) $ 30,000,000.00		
Less: Purchased by Trustee and cancelled 8,100,600.00		
21,899,400.00		
Less: Amount held by Trustee 10.63		
		21,899,389.37
MORTGAGE BONDS:		
Algoma Branch 1st Mortgage 5 per cent.		3,650,000.00
Lacombe & Blindman Valley Railway 1st Mortgage 5 per cent.		273,700.00
SHORT TERM NOTES		25,000,000.00
EQUIPMENT OBLIGATIONS $ 50,300,000.00		
Less: Securities on hand with Trustee 4,160,000.00		
		46,140,000.00
CURRENT:		
Audited Vouchers	3,828,064.62	
Pay Rolls	3,128,423.77	
Miscellaneous Accounts Payable	5,893,762.59	
		12,850,250.98
ACCRUED:		
Rentals of Leased Lines and Coupons on Mortgage Bonds		1,240,617.72

LIABILITIES—*Continued*

RESERVES AND APPROPRIATIONS:		
Equipment Replacement	$ 8,419,677.75	
Steamship Replacement	26,966,439.73	
Reserve Fund for Contingencies and for Contingent Taxes	4,553,471.01	
Special Reserve to meet Taxes imposed by Dominion Government	1,050,120.99	
		$ 40,989,709.48
PREMIUM ON CAPITAL STOCK SOLD (LESS DISCOUNT ON BONDS AND NOTES)		67,276,694.80
NET PROCEEDS LANDS AND TOWNSITES		72,061,226.36
SURPLUS REVENUE FROM OPERATION		127,579,894.45
SURPLUS IN OTHER ASSETS		111,258,635.31
		$1,380,888,588.33

E. E. LLOYD,
Comptroller.

AUDITORS' CERTIFICATE.

We have examined the Books and Records of the Canadian Pacific Railway Company for the year ending December 31, 1931, and having compared the above Balance Sheet therewith, we certify that, in our opinion it is properly drawn up so as to show the true financial position of the Company at that date, and that the statement of Income contained in the Directors' Report is correct.

PRICE, WATERHOUSE & CO.,
Chartered Accountants, (England).

Montreal, March 11, 1932.

CANADIAN BUSINESS AND FINANCE IN 1931

ANNUAL ADDRESSES AND REPORTS

OF THE

BANK OF MONTREAL*

The 114th Annual General Meeting of the Shareholders of the Bank of Montreal was held on Dec. 7, 1931, in the Board Room of the Bank's Headquarters in Montreal, Sir Charles Gordon, G.B.E., in the chair. The Annual Report of the Board of Directors was read by the Joint General Manager, Mr. Jackson Dodds, as follows:

Profit and Loss Account

Balance of Profit and Loss Account, 31st October, 1930		$ 947,047.38
Profits for the year ended 31st October, 1931		5,386,379.57
		$6,333,426.95
Quarterly Dividend 3 per cent. paid 2nd March, 1931	$1,080,000.00	
Quarterly Dividend 3 per cent. paid 1st June, 1931	1,080,000.00	
Quarterly Dividend 3 per cent. paid 1st Sept., 1931	1,080,000.00	
Quarterly Dividend 3 per cent. payable 1st December, 1931	1,080,000.00	
	$4,320,000.00	
Provision for Taxes Dominion Government	610,000.00	
Reservation for Bank Premises	300,000.00	
		5,230,000.00
Balance of Profit and Loss carried forward		$1,103,426.95

Since the last Annual Meeting, five offices have been opened throughout the Dominion of Canada and thirty offices have been closed. Our branches at Tampico, Mexico, and Veracruz, Mexico, have also been closed during the year.

All the offices of the Bank, including the Head Office, have been inspected during the year.

Address of Sir Charles Gordon, G.B.E., President

You have heard the report just read, and your Directors trust that the result of the year's operations as disclosed by the balance sheet of the Bank and statement of profits already published will be deemed satisfactory. The profits for the year have proved sufficient to provide payment of the customary dividends. Making due allowance for the difficulties which have beset all business during the year, and from which banking has certainly not been free, this result, I venture to think, is a matter for congratulation. The bonus of 2 per cent., paid for several years past, the Directors have deemed it advisable to omit, believing that this will meet with

* NOTE.—For a History of the Bank of Montreal, see Supplement to *The Canadian Annual Review, 1910;* for succeeding Addresses and Reports, see Volumes *1911* to *1930-31.*

your approval as a manifestation of the traditional conservative policy of the Institution.

Industrial Situation. Business throughout the Dominion has experienced a general recession more severe than recorded in our last report, and the basic industries of the country have suffered correspondingly. This has been particularly apparent in lumbering and mining, although as regards the latter an offsetting advantage has been a stimulus to the production of gold. The manufacturing of newsprint, another basic industry of Canada, has in recent years suffered a large decline in value and a lesser one in volume. The industry's difficulties have arisen in the main from the erection of mills and development of capacity in excess of market requirements, and, unfortunately, shareholders have sustained losses from overcapitalization. There is reason to believe that a better condition is being ushered in, by the profit arising from the premium on New York funds—most of Canada's newsprint being exported to the United States—and from the consolidation of companies for the purpose of reducing overhead expense and effecting more economical distribution of the product.

Events during the year have brought into strong relief a situation which in any case would have called sooner or later for drastic remedial measures. I refer to the destructive competition between our two great railway systems, one being a private organization which has done more to develop and advertise Canada than any other single agency, and the other a State system into the ownership of which the Dominion was forced by a combination of unfortunate circumstances and which under unified control has become a giant enterprise. Fortunately, it is now becoming recognized by all concerned that this destructive competition cannot continue, but that some form of co-operation must be worked out by which needless duplication of services will be avoided. In addition, our railways have had to contend with lessened traffic and growing and practically uncontrolled truck and automobile competition. As a Royal Commission is to study the whole subject of transportation, and recommend measures for the guidance of the authorities in dealing with this matter, I will not dwell upon the subject further than to say that a definite settlement of the railway situation on a satisfactory and permanent basis is an absolute necessity for the future well-being of this country.

Agriculture and Dairying. In Canada the crops of the past season, taken as a whole, have been bountiful, the only exception being in certain portions of the Prairies where there was failure due to drought. With remarkably favourable weather, crops generally were harvested in excellent condition, and costs of harvesting were lower than for some years past, but a much reduced export demand, with a consequent price level far below that of many years past, has materially reduced returns to the farmers.

The dairy industry, which dominates agricultural activity in Eastern Canada, has not escaped the effects of reduced industrial activity, butter prices being down from twenty to thirty per cent. below last year, while the price of cheese is even lower. The live-stock industry was less remunerative than in 1930.

In considering the various phases of the economic set-back which Canada has received, it is important to remember that they have arisen largely from extraneous and not internal causes. During the post-war period, the expansion of our industries, speaking generally, has been on a modest scale. We have not invested such a large volume of our capital assets in unproductive extensions as has been the case in the United States, and our banks and financial institutions have not had their resources tied up in frozen loans. Fortunately, under our banking system, our banks are prohibited from lending upon real estate.

Conditions in Europe. In Europe all countries are suffering severely from the effects of the world depression, unparalleled alike in its intensity and extent. Political uncertainties, war and non-commercial debts, unbalanced budgets and excessive tariffs are the principal influences contributing to the prevailing economic and financial distress.

The position of Germany is particularly disturbing because of her vast obligations in the form of short-term credits, the payment of which is postponed until the end of February next under the stand-still agreement. Unless some relief in respect of reparations is forthcoming, the suspension of external payments by Germany seems inevitable, and the outcome of the conferences arranged to discuss reparations and German short-term indebtedness will be awaited with anxiety.

The most momentous event of the year was the forced abandonment by Great Britain of the gold standard on September 21st. The pound sterling has been for so long the universally recognized medium for the settlement of international trade and other obligations that its eclipse, temporary it is hoped, has produced universal disorganization. Commerce requires a standard of value and a medium of exchange. That standard must be as inflexible a measure as a yard-stick, and of universal acceptance in settlement of international balances. The price of gold is fixed, and it is in relation to this that prices of commodities fluctuate. Not by whim or accident did gold become the standard of value among civilized nations, but by the process of experience and the elimination of other standards tried through the centuries and found wanting. I am convinced that Great Britain will win back to a stabilized gold standard, to which end the policies of her Government and the efforts of her people are being directed. Foreign opinion has been most favourably impressed by the action of Great Britain in adopting measures to balance her budget and, what is of greater significance, in electing a National

Government with a vast majority armed with a mandate to enforce the measures necessary to restore the economic stability of the country.

In considering the future of Great Britain, one must take into account the many difficulties of a social and economic character with which successive post-war Governments have already dealt—such questions as wages, socialistic tendencies and unemployment. It would appear that the country, having abandoned the gold standard and adopted a normal scale of wages, is now in a position to compete on a more than favourable basis with those countries which have not yet faced many of these difficulties.

Relatively, France has withstood the world depression with less serious results than most countries, but there are definite signs that she is now suffering from its effects. Trade and industry have visibly slackened, tourist traffic this year has been negligible compared with recent years, and unemployment, though small, is increasing.

Conditions in the United States. In the United States the year now ended has been one of drastic economic adjustment, and as a result of concerted and determined effort to correct domestic conditions some signs of improvement are now visible in the closing months of the year. Perhaps the most favourable development has been a slight indication of the beginning of a return of confidence and less hesitation in trade. The whole situation, however, may be said to be obscure at the moment. According to news despatches Congress will be called upon to deal with two major questions, namely, the excess of expenditures over revenue, and unemployment. No proposals have yet been put forward as to how a badly unbalanced trade position is to be dealt with, or how it is proposed to re-establish the export trade of the country. It seems apparent that so long as the United States continue to demand settlement in gold for exports and to refuse to accept the products of other nations, as they do by their high tariff walls, it will be impossible for them to return to commercial equilibrium with other countries.

A paradoxical situation has arisen in the case of the Federal Reserve system in that within a few months an increase of one billion dollars occurred in note circulation coincident with a decline in all departments of trade, which suggests hoarding as its cause. Bank failures have been numerous in the United States during the past twelve months, mostly of small units in agricultural sections, and deposits in National Banks have decreased by over two billion dollars, or about 10 per cent., incidents which probably account for the placing of currency in safety deposit boxes or stockings. The banking situation in the United States, from what one can learn, is now showing improvement, and I am informed that what are known as the Member Banks of the Clearing House Associations are in a very strong position, although there may be further failures among small country banks. Banking in Canada has followed the even

tenor of its way. The resources of our banks are large, credit supply abundant, note circulation keeps pace with trade movement, time or savings deposits are at a high point, and the superiority of the branch bank system over unit banks has again been demonstrated in this period of business depression.

Canadian Borrowings. The action of the United Kingdom in departing from the gold standard resulted in Canadian exchange moving simultaneously to a substantial discount in the United States, and at the same time that market became practically closed to foreign borrowers. Undoubtedly our borrowings in New York for several years past had been on too lavish a scale, but I think that the unwillingness there to lend money to Canada is as much the result of conditions in the United States as of uncertainty regarding the future of Canada. The result of the recent National Service Loan must have demonstrated to lenders in the United States that our financial position is a strong one. While this condition in the American market lasts, governments and municipalities in this country will have to lean on domestic borrowings for their needs. The situation gives added emphasis to the necessity of our administrative authorities limiting their borrowings to essentials and keeping their outlays for relief purposes at as low a figure as is compatible with the strict requirements of the occasion. The success of the Dominion Government's National Service Loan has been a splendid testimony to the patriotism and confidence of the Canadian people. I would like to warn provincial and municipal authorities, however, not to presume too largely on the continuance of this spirit, for any extravagance in expenditure, under the excuse of unemployment relief, must call for corresponding appeals for loans which might not be forthcoming with any such readiness as has just been shown.

To fortify the position of Canada in respect of interest payments on public loans, the Dominion Government has prohibited the export of gold save under license and has extended practical aid to some of the provinces in meeting debt obligations in New York. Purchase of all gold mined in Canada is also being made by the Dominion Government, from which source it is not improbable $60,000,000 will next year be derived.

The country's large foreign obligations are factors which will tend to prevent an early return of our dollar to par, but this is not an unmixed evil as the discount on the Canadian dollar restricts imports. That the Canadian dollar will return to par I have no doubt, just as the discount a few years ago, which at one time reached 19 per cent., disappeared and gave place to an actual premium on Canadian funds in the New York market. Factors are already working to this end. In the twelve months to September 30th last year there was an adverse balance in the foreign trade of Canada of $100,000,000, while in the twelve months this year to September 30th the adverse balance was reduced to $35,000,000, which is an improvement of $65,000,000, and it is a notable fact that in the five months to

October 31st last there was each month an excess of domestic exports over imports, so that we appear to have reached the point of an adjusted foreign trade.

Imperial Conference. The result of the recent election in Great Britain brings once more to the fore the question of the extension of inter-Empire trade through the medium of preferential tariffs. This has been entrusted to an Imperial Economic Conference to meet next summer under more promising auspices than that assembled in London last year. There is scope for extension of Empire trade. Of the total imports of Canada last fiscal year only 22 per cent. was drawn from British countries; and of total exports less than 40 per cent. was to British countries. Hope may be held that from the Imperial Economic Conference will come such tariff adjustments as will promote commerce between members of the Commonwealth and so strengthen the structure of the British Empire.

What of the Future? What of the future? There is a wise old saw, whose injunction I intend to follow—"Never prophesy unless you know." Certain features of high import may, however, be alluded to. The clouds have not yet been dispelled. European countries, notably Germany, Britain and Austria, labour under the burden of war debt, and while the moratorium prompted by President Hoover has given a breathing spell, the weight of debt still impends. Few nations have balanced budgets, without which credit is impaired. Taxation is high everywhere. The wheat situation, of almost vital interest to Canada, is beclouded by the reappearance of Russia as an exporter, and the disposition of other European countries to grow their own requirements, making imperative the extension of diversified farming in our Prairie Provinces. Then, the pressure of competition in world markets is intense, as in the case of the fisheries (an industry that Japan is actively developing), lumber, copper and other commodities indigenous to Canada.

I would, however, say to those who feel themselves more or less at a loss in estimating the future that we have one advantage in the Bank of Montreal possessed by few business institutions. We have the advantage of an intimate record in our own annals of the course of trade in this country for the past 115 years. Looking into that record we see reflections of periods of great prosperity and reflections of periods when conditions and outlook, not only in Canada but throughout the world, were blacker than any we have experienced during the past two years. I could quote extracts from the addresses of past Presidents at the Annual Meetings of the Bank which would be exactly applicable, word for word, to present conditions, and others that tell of graver conditions. Yet, even under greater disadvantages than the present, conditions have always righted themselves. Looked at in the large, the history of our country, as reflected in the history of your Bank, has been one of continued progress and advancement, and I have not the slightest hesitation in reiterating the views ex-

pressed at our Annual Meetings in years past that just as the country has weathered previous storms, so now there is every reason to look forward with confidence to emerging stronger and more prosperous than ever from the conditions which now prevail. To this I would add that we, as a people, have additional reason for confidence in the fact that our accumulated resources are infinitely greater than at any like period in the past, and that our undeveloped wealth, which once was so largely a matter of speculative interest rather than of proven fact, is now known beyond any doubt whatever to exist to an extent far surpassing the most extravagant estimates of those who have gone before us.

Address of Joint General Manager, Mr. Jackson Dodds

On behalf of Mr. Bog and myself I have the honour to present to you the one hundred and fourteenth annual Balance Sheet of the Bank. The following are the principal changes:

Our Total Assets now amount to $795,000,000 against $827,000,000 a year ago, a decrease of $32,000,000.

Quick Assets comprised of cash, call loans, bank balances and readily realizable securities, aggregate $417,000,000, or 58.11 per cent. of Liabilities to the Public. The Bank's long established policy of maintaining a strong position, subordinating profit to liquidity, has been amply justified over the course of years, especially during periods of deflation.

Reserves in actual cash total $83,600,000, or 11.64 per cent. of Liabilities to the Public. Including Bank balances, foreign currencies and notes and cheques on other Banks, the percentage is 19.73.

Call Loans at $37,000,000 show a decrease of $41,000,000. Those in Canada are down $8,600,000. Others are down $32,600,000. In part replacement of the decrease in our Call Loans in New York we hold a substantial amount of United States Government short term obligations which are immediately realizable.

Bank Balances $22,000,000 are lower by $13,000,000.

Investments amount to $238,000,000 as compared with $183,000,000 last year, the increase, $55,000,000, being almost entirely in Dominion and Provincial Government securities.

Current Loans in Canada (including advances to Municipalities) total $322,000,000, an increase of $7,000,000. Under this heading come advances to producers of primary products, to manufacturers and to customers engaged in all branches of commerce.

Current Loans elsewhere aggregate $23,000,000, a decrease of $19,000,000.

Bank premises are shown at $14,500,000, the same figure as in 1930.

Mention was made last year of premises in course of construction at Ottawa and Calgary, which involved carrying on of business during demolition of our old offices and construction of the new; in each case we are now in the completed half of the new building, while work on the remainder is proceeding satisfactorily.

In valuing our assets ample provision has been made for all bad and doubtful debts and depreciation of securities.

Capital and Rest remain unchanged at $36,000,000 and $38,000,000, respectively.

Savings Deposits Up $20,000,000. Deposits total $656,800,000, a decrease of $32,000,000. Savings Deposits are up $20,000,000; Dominion and Provincial Government balances are down $29,000,000; Demand Deposits show a reduction of $23,000,000, a substantial portion of which occurred in Mexico as a result of business conditions and the new Monetary Law.

Savings deposits have proved a boon to many whose incomes have decreased due to unemployment or other causes. Necessary withdrawals have been more than offset by new deposits; the number of depositors has increased as is usual in a time of depression, when a more wholesome respect for the Savings Account habit is inspired.

Balances due to Banks are $12,000,000, an increase of $4,000,000.

Profits are shown at $5,386,000 as compared with $6,519,000 last year. The decrease of $1,133,000 is in keeping with the reduced turnover of business generally and the lower rates earned by reserve funds which we are obliged to employ in New York.

Since the last Annual Meeting we have opened 5 branches, and closed 32 which after a fair trial had continued to show operating losses. Business in rural districts is steadily gravitating to the central points, as a result of improved roads and the speed of travel. There is consequently less need for branch banks in hamlets which formerly justified the opening of offices within a few miles of other branches of the same institution or of another bank.

Our routine in regard to registration and transfer of shares in the past has proved adequate, but we have during the past year instituted an additional safeguard in the form of continuous audit of all operations in this Department.

The printed reports of this meeting, which will be mailed to all shareholders, will contain interesting reviews by our Assistant General Managers, of agricultural, industrial and business conditions in the various provinces.

The downward movement of commodity prices which became acute in the autumn of 1929, gained momentum in 1930 and reached record low levels during the present year. Canada, while increasing in importance as a manufacturing country, is dependent primarily on the products of the farm, forest, mine and fisheries, and being

one of the largest exporters per capita in the world, has suffered severely from the dislocation of international trade.

We know from recent economic history in the United States something of the impotence of a Central Bank in maintaining a stable price level. An examination of the course of business and banking in that country from 1921, the year of post-war depression, to 1928, the crest of their period of prosperity, and the collapse of the stock market boom in 1929, reveals that while a Central Bank may assist in controlling the amount of money available, its judgment is not infallible, nor can it force individuals or institutions to use money wisely.

Accumulation of Gold. The accumulation in the United States and France of over two-thirds of the gold supply had its bearing on the slowing down of the world's economic machinery. Debtor countries having been debarred by tariff barriers from making payments in goods, had no alternative but to remit gold; this loss of metal added to their financial strain and the latter in turn caused a feeling of insecurity and a consequent flight to the franc and the United States dollar. The vast sums transferred to France and the United States are, therefore, not wholly the property of the French and Americans, but in part represent capital exported from other countries. The United States and France being unable to see clearly the nature of future demands upon them, are holding a certain proportion of their gold virtually in storage.

The gold held by the Bank of France, on the basis of United States dollars, was $2,650,000,000 on the 20th November, against a note circulation of $3,200,000,000, a gold cover of approximately 83 per cent.; but notwithstanding this immensely strong position and the fact that France is comparatively favourably placed, the country has been disturbed by banking difficulties involving the failure of institutions of lesser importance and the hoarding of note currency.

The budget of France like that of many other countries shows a heavy deficit necessitating substantial economies in an effort to avoid higher taxation. There is also a substantial adverse trade balance against France.

In the United States the Federal Reserve Banks reported gold reserves on 2nd December of $1,817,000,000, held exclusively against note circulation of $2,478,000,000, the percentage of cover being 73.3 as compared with the legal requirement of 40 per cent. The total monetary gold stock of the United States, including holdings by the Federal Reserve Banks amounted to $4,292,000,000, on October 31st.

Interest rates on all classes of short term funds declined to the lowest level in more than a decade. Call money was in plentiful supply throughout the year, the average rate being 1.66 per cent. Rates have since stiffened.

The excessive flow of gold into the United States, piled on top of her tariff wall, shut out trade, slowed down manufacturing and has resulted in unemployment. The domestic banking situation and related questions affecting banking liquidity have been the most disturbing feature in recent months; suspension of payment during the past year by approximately 2,000 banks, 80 per cent. of which were small institutions, resulted in hoarding of note currency. The formation of the National Credit Corporation was designed by the Government to help relieve the situation, and the announcement of the plan had a beneficial effect, both economically and psychologically. It is also sought by the establishment of a system of home loan discount banks to relieve in some measure the unsatisfactory condition that prevails in respect to real estate loans.

The monetary disequilibrium from which the world is suffering reacted most severely on London, and notwithstanding support rendered by American and French credits for $250,000,000 and $400,000,000, Great Britain was obliged to suspend the gold standard on the 21st September; Norway, Sweden, Denmark, Finland and several other countries followed suit. Our interest naturally rests mainly with Great Britain, and it is our hope that the stabilization of the pound sterling may not be long delayed, making available again to the world the valuable financial machinery in London which has made that market preeminent as a world monetary centre.

For the greater part of the year low money rates prevailed in the London money market. The Bank of England rate was 4½ per cent. when the pound was taken off a metallic basis. A 6 per cent. minimum was then imposed and still stands. Call money is around 5 per cent. Discount rates have followed fairly closely the course of money. It is encouraging to record that the money market in London has accepted the recent crisis with calm and that business has functioned normally except that stock exchange transactions were limited to a cash basis until 16th November when the normal fortnightly settlement was reinstated. Restrictions against the exportation of capital from Great Britain remain in force.

We are still in the shadow of the Great War, in which over a score of nations engaged for four years in the destruction of life and capital on a scale without precedent in history. During that period colossal international debts were incurred, followed by reckless post-war financing to stimulate prosperity, which resulted the world over in burdensome taxation, loss of confidence, dislocation of industry, trade and finance, and in the creation of social and political problems, many of which yet remain to be solved.

Meanwhile, with the world out of balance and trade generally in a disorganized state, we should be thankful that we in Canada are as well off as we are. There is no gainsaying it, however, that business has been at an extremely low ebb during the past year—lower perhaps than it has ever been within the memory of anyone engaged in it to-day.

Piling up of Debts. The situation can only be aggravated by continuing to pile up more and more federal, provincial and municipal debts. Individuals who appreciate the need for economy in their own expenditures and are striving to get out of debt are too prone, paradoxically, to condone and encourage public outlays of borrowed money, ignoring the fact that it must in the end be repaid by themselves. There is a definite limit beyond which public expenditure cannot proceed with safety, even when the object is to create temporary employment. In this country that limit is now in sight. A halt must be called to mounting expenditures—indeed has been called in some cases. The burden of taxation eats up capital resources, saps energy and enterprise, and creates still further unemployment.

It is essential that in Canada we should draw a lesson from costly experiments that have been made elsewhere and, while taking care of those in immediate distress, work in the direction of rendering as many as possible of the unemployed self-supporting. Assisting people to establish themselves on the land is the natural procedure in an agricultural country, and it is encouraging to know that practical steps in this direction are already being taken.

Agriculture is Canada's mainstay, and over the course of years diversified farming has proved the most dependable source of livelihood. In this machine age it is not surprising that industrialized farming should have its advocates, but it should not be overlooked that a farm is primarily a home, not a mine or a factory. We should strive for a better balance of our rural and urban population; obviously we have at present too large a proportion of the latter.

New Industries for Canada. The establishment in Canada during the past year of many new industries, principally in Ontario and Quebec, is a favourable feature since it provides employment and use for available power. These manufactories are coming chiefly from the United States in order to supply the Canadian market and to export under the preferential tariff to other countries within the Empire. Our profitable tourist business is also providing employment, and with 23 million automobiles south of the line we may confidently look for its continued growth.

It would be rash indeed to speak with assurance of the prospects of the coming year, but it is surely permissible to say that when international confidence and co-operation are restored, and commerce in consequence improves, Canada will be among the first to benefit. Situated as it is midway between the Old World and the awakening Orient, Canada with its courageous, virile people, its invigorating climate, abundance of natural resources, its water power, and unexcelled means of transportation by rail and water, is destined to play an important part in this twentieth century. Our principal lack at present is sufficient rural population; this will correct itself in less time than many expect. We should profit by our neighbour's mis-

takes and our own and exact betimes a high standard. This of itself would exert a strong drawing power, and attract ambitious and industrious people rather than the class that has not been successful in its native country.

During the past two years I have visited all the Provinces in Canada and Newfoundland and have met every one of our Managers and the members of the staff at central points. I have also visited our three offices in the United States. It is a pleasure to testify to the high order of training which our staff is receiving under capable Branch Managers, and to their continued loyalty and efficiency.

Conclusion. Mr. Dodds reviewed, in a comprehensive manner, conditions in the Canadian Provinces as well as in Newfoundland and Mexico, dealing with commercial developments, financial affairs and the economic situation generally. In the Province of Quebec, crops generally had been above average, but prices of all farm produce were low and returns to the farmer small; the market for pulpwood had been weak and unfavourable conditions still prevailed in the newsprint industry, with the majority of mills operating at only about 50 per cent. of capacity; the textile industry had been benefited through increased tariff protection and lower cost of raw materials; the flour milling business had been adversely affected by the large surplus of Russian wheat sold on European markets; unemployment was prevalent in the larger centres. In Ontario, crops were harvested under favourable conditions; manufacturing operations were on a much restricted basis compared with the previous year, building activity had declined substantially. There had been, however, a marked expansion in the production of gold, but production of base metals had declined as a result of weakened demand and prices. In the Maritime Provinces there had been a slowing up in business, with ensuing unemployment; lumbermen, farmers and fishermen had all been adversely affected by low prices. In the Prairie Provinces the wheat crop was the smallest since 1924, but livestock raising was showing steady growth; manufacturing was slack; wholesale and retail merchants had suffered from reduced buying power and inventory losses. In British Columbia, the downward trend in lumber prices continued, and many mills had to close down; operations in the salmon industry had been drastically curtailed owing mainly to a large carry-over of low grade fish from the previous year; manufacturers generally had experienced a quiet year. Several power plants, however, had been installed in British Columbia, which now has a large supply of cheap power available for industrial purposes.

The Report on motion of Sir Charles Gordon, G.B.E., seconded by Mr. H. R. Drummond, was then adopted, the usual votes of thanks tendered, and the following gentlemen duly elected Directors for the ensuing year: The Honourable Thomas Ahearn, P.C., D. Forbes Angus; E. W. Beatty, K.C., W. A. Black, The Honourable Patrick

Burns, The Honourable Henry Cockshutt, Gen. Sir Arthur Currie, G.C.M.G., K.C.B., A. O. Dawson, H. R. Drummond, G. B. Fraser, Sir Charles Gordon, G.B.E., Harold Kennedy, J. W. McConnell, Ross H. McMaster, F. E. Meredith, K.C., Major-General The Honourable S. C. Mewburn, C.M.G., Lt.-Col. Herbert Molson, C.M.G., M.C., Chris. Spencer, W. N. Tilley, K.C., and Sir Frederick Williams-Taylor. At a subsequent meeting of the Directors, Sir Charles Gordon, G.B.E., was elected President, Mr. H. R. Drummond and Major-General The Honourable S. C. Mewburn, C.M.G., were elected Vice-Presidents, and Sir Frederick Williams-Taylor was appointed a Vice-President, stationed in London, England, with complete supervision of the British and European affairs of the Bank. The Executive Committee of the Board was appointed, consisting of Sir Charles Gordon, G.B.E., Mr. H. R. Drummond, Major-General The Honourable S. C. Mewburn, C.M.G., and Mr. E. W. Beatty, K.C.

THE GENERAL STATEMENT

OF THE

BANK OF MONTREAL

OF OCTOBER 31st, 1931

LIABILITIES

Capital Stock			$ 36,000,000.00
Rest		$ 38,000,000.00	
Balance of Profits carried forward		1,103,426.95	
		$ 39,103,426.95	
Unclaimed Dividends		9,177.89	
Quarterly Dividend, payable 1st December, 1931		1,080,000.00	
			40,192,604.84
			$ 76,192,604.84
Notes of the Bank in circulation		$ 38,028,370.50	
Deposits not bearing interest		116,940,464.90	
Deposits bearing interest, including interest accrued to date of statement		539,922,593.86	
Deposits made by and Balances due to other Banks in Canada		1,739,226.56	
Balances due to Banks and Banking Correspondents elsewhere than in Canada		10,444,966.06	
Bills Payable		220,119.43	
			707,295,741.31
Letters of Credit outstanding			8,943,524.05
Liabilities not included in the foregoing			2,091,463.76
			$794,523,333.96

ASSETS

Gold and Subsidiary coin current		$ 27,750,309.66	
Dominion notes		47,875,605.25	
Deposit in the Central Gold Reserves		8,000,000.00	
Deposits made with and Balances due from other Banks in Canada	$ 200.00		
United States and other foreign currencies	281,667.41		
Balances due by Banks and Banking Correspondents elsewhere than in Canada	22,270,111.79		
Call and Short, not exceeding thirty days, Loans in Canada on Bonds, Debentures and Stocks and other securities of a sufficient marketable value to cover	9,243,921.73		
Call and Short, not exceeding thirty days, Loans in Great Britain and United States on Bonds, Debentures and Stocks and other securities of a sufficient marketable value to cover	28,252,802.06		
		60,048,702.99	

ASSETS—*Continued*

Dominion and Provincial Government Securities, not exceeding market value	$169,089,426.40	
Railway and other Bonds, Debentures and Stocks, not exceeding market value	11,095,421.34	
Canadian Municipal Securities, and British, Foreign and Colonial Public Securities other than Canadian, not exceeding market value	58,034,199.02	
Notes of other Banks	3,418,407.26	
Cheques on other Banks	32,094,436.53	
		$417,406,508.45
Current Loans and Discounts in Canada, less rebate of interest, after making full provision for all bad and doubtful debts	$291,111,569.27	
Loans to Cities, Towns, Municipalities and School Districts	31,320,743.20	
Current Loans and Discounts elsewhere than in Canada, less rebate of interest, after making full provision for all bad and doubtful debts	23,002,009.49	
Non-current Loans, estimated loss provided for	3,090,826.52	
		348,525,148.48
Bank Premises, at not more than cost, less amounts written off		14,500,000.00
Real Estate other than Bank Premises		390,886.92
Mortgages on Real Estate sold by the Bank		1,344,579.40
Liabilities of Customers under Letters of Credit as per Contra		8,943,524.05
Deposit with the Minister for the purposes of the Circulation Fund		1,692,109.08
Shares of and loans to controlled companies		1,573,505.53
Other Assets not included in the foregoing		147,072.05
		$794,523,333.96

NOTE.—The Business of the Bank in Paris, France, and in San Francisco, U.S.A., is carried on under the names of local incorporated companies and the figures are incorporated in the above General Statement.

CHARLES B. GORDON,
President.

W. A. BOG,
JACKSON DODDS,
Joint General Managers.

To the Shareholders of the Bank of Montreal:

We have compared the above Statement with the Books and Accounts of the Bank of Montreal at the Head Office, and with the certified Branch Returns. We have checked the cash and verified the investments and securities at the Head Office, and at several of the principal Branches of the Bank at the end of the financial year. We have likewise, at various dates throughout the year, checked the cash and verified the securities at several important Branches.

We have to report that: (a) we have obtained all the information and explanations we have required; (b) in our opinion the transactions of the Bank, which have come under our notice, have been within the powers of the Bank, and (c) in our opinion, the above Statement discloses the true condition of the Bank and it is as shown by the Books of the Bank.

Montreal, November 25th, 1931.

JAMES HUTCHISON, C.A.,
of the firm of Riddell, Stead, Graham & Hutchison,
ALASTAIR A. GOWAN, C.A.,
of the firm of George A. Touche & Co.
} Auditors.

"CONFIDENCE IN CANADA'S FUTURE"

KEYNOTE OF ANNUAL ADDRESSES AND REPORTS

OF

THE ROYAL BANK OF CANADA*

The Sixty-Third Annual General Meeting of the Shareholders was held at the Head Office of the Bank, in Montreal, on Thursday, January 14th, 1932, at 11 o'clock a.m., Sir Herbert S. Holt in the chair.

The Secretary, Mr. S. D. Boak, then read the Directors' Report, as follows:

The Directors have pleasure in submitting to the shareholders the Sixty-second Annual Report of the Bank for the year ended 30th November, 1931, accompanied by the Statement of Assets and Liabilities and Statements of Controlled Companies.

PROFIT AND LOSS ACCOUNT

Balance of Profit and Loss Account, 29th November, 1930	$4,106,778.29	
Profits for the year ended 30th November, 1931..	5,448,327.32	
		$9,555,105.61
Appropriated as follows:		
Dividends Nos. 174, 175, 176 and 177 at 12% per annum	$4,200,000.00	
Contribution to Officers' Pension Fund	200,000.00	
Appropriation for Bank Premises	400,000.00	
Reserve for Dominion Government Taxes, including Tax on Bank Note Circulation	600,000.00	
Balance of Profit and Loss carried forward	4,155,105.61	
		$9,555,105.61

The assets of the Bank have been, as usual, carefully revalued, and provision made for all bad or doubtful debts.

During the year three branches were opened and twenty-seven were closed.

The Head Office and branches of the Bank have been inspected as usual during the year.

The Directors record with deep regret the death of their late esteemed colleagues, Mr. Charles E. Neill, a member of the Board since 1914, Vice-President since 1927, and Managing Director since 1929, and the Honourable Frank Stanfield, who was elected a Director on January 8, 1931.

On account of ill-health, Mr. D. K. Elliott retired from the Board on February 14, 1931.

Messrs. W. F. Angus, Paul F. Sise and James McG. Stewart, K.C., were appointed members of the Board during the year.

*NOTE.—For History of the Bank see Supplement to *The Canadian Annual Review, 1910;* succeeding Reports and Addresses are given in *The Review, 1911 to 1930-31.*

Messrs. A. J. Brown, K.C., and M. W. Wilson were elected Vice-Presidents of the Bank on December 22, 1931.

Your Directors desire to express their appreciation of the efficient manner in which the officers of the Bank continue to perform their respective duties.

Address by Sir Herbert S. Holt, President

Before moving the adoption of the Report, it is with profound regret that I refer to the death of Mr. Charles E. Neill, late Vice-President and Managing-Director of the Bank, to whose service he had devoted his entire business life. He commenced as a junior clerk at the Fredericton Branch in 1889, became General Manager in 1916 and continued in that position until 1929 when he became Managing-Director. The years during his management were marked by more than ordinary hazards and difficulties, and it was during this period that the Bank achieved such a notable development in its business and advanced to a leading position in Canada. The interests of the Bank occupied a paramount position in his mind from the time he entered the service until the moment of his death. In his passing the Bank has lost a wise counsellor, his associates a loyal friend, and Canada an eminent banker and distinguished citizen.

The Sixty-Second Annual Report and Balance Sheet submitted to you to-day reveal the strong position of the Bank. Profits for the year fully covered the usual dividends, which we trust you will regard as satisfactory, in view of conditions that have affected all lines of business. In common with the other Canadian banks, the Directors, as you are already aware, discontinued for the time being the bonus of 2% paid for several years past. At a time when disorganization in finance is accentuating the severe depression in other countries, it should be a source of great satisfaction to the Canadian people that their financial institutions have been so organized and managed that they have come through the ordeal with an excellent record. The fact that the depression has not proved as severe in Canada as in most other countries must be attributed in no small degree to the stability of our banks and the courage and good judgment with which they have supported industry. The General Manager will deal with the financial statements in detail.

The Canadian business situation at the end of 1931 reflects the difficulties resulting from over two years of world-wide depression. As Canada is dependent upon foreign markets for the disposition of a large part of her products, she has felt keenly their decreased purchasing power.

Manufacturing has been comparatively quiet throughout the year and most industries have been working on reduced schedules. Activity in the flour milling industry, steel, automobile and agricultural implement trades, has been materially curtailed. The textile industry has been reasonably active, woollen goods showing some increase in production, with silk and hosiery mills working at near capacity. This is also true of the boot and shoe industry. Lumber suffers from

the lack of demand, which has been characteristic for several years past, but stocks, particularly in eastern Canada, have been largely reduced and the treaty with Australia should improve the situation in British Columbia.

In both the Maritime Provinces and British Columbia the fisheries have had a poor year. The total pack of salmon in British Columbia was less than one-third of the record pack of 1930. Prices have been low.

On the whole, many retail stores, particularly those under chain management and department stores, have maintained a surprisingly satisfactory volume of sales considering the intensity of the depression. Retail purchasing power, however, is not as seriously affected by depression as most people are accustomed to think. When advertising has forcefully directed the attention of the public to bargains which can now be obtained, a reasonable response on their part may be anticipated.

Integration of Newsprint Industry. The pulp and paper industry has operated at a lower percentage in relation to capacity than at any time in the past. Plans are now under consideration for the complete integration of the Canadian newsprint industry east of the Rocky Mountains. This is a constructive development, difficult of accomplishment, but highly desirable if Canada is to continue to maintain the supremacy which should be hers on account of the tremendous advantages she enjoys from her great natural resources of power and timber lands.

During the year a considerable number of British and American concerns located branch factories in Canada with a view of obtaining the advantage of the Canadian tariff and lower production costs. The large number of enquiries forecasts a further substantial development in this direction.

During the past year about 20% of the cultivated area in the Prairie Provinces suffered from drought, particularly southern Saskatchewan. The wheat crop alone was 100,000,000 bushels less than the moderate crop of 1930. Other parts of Canada had more favourable weather conditions and some crops created new records. Apples and potatoes are plentiful; the tobacco crop is exceptional. Livestock and dairy farmers have had excellent pasturage and plenty of feed for their herds, but surplus supplies have greatly depressed prices.

Stocks of wheat are still large, but show some reduction from last year. It is hoped that by the end of the year there will no longer be an unwieldly surplus in the United States and Canada. The outlook is by no means discouraging. Gradually the world surplus is being reduced.

Mixed Farming. Last year I strongly advised the adoption of mixed farming where conditions permitted. In Saskatchewan the production of butter in the first ten months of the year exceeded that

of any previous year. This is a move in the right direction. The Dominion Agricultural Credit Company Limited has been organized and is making headway. This corporation will lend money to farmers to buy cattle, sheep and hogs, and will thus aid in the widespread move towards diversification of farm production. The large scale experiments of the past year indicate that fertilizer can be used advantageously. It has increased the grade and yield of wheat from eight to ten bushels per acre and advanced maturity from a week to ten days.

In the mining industry there has been a most notable increase in gold production. Canada is now producing more that $1,000,000 worth of gold per week, which has been one of the outstanding items of good news during the year. The activities of mines producing base metals have been unfavourably affected by over-production and low prices. There is a movement on foot to curtail the output of these metals, which should result in better prices.

Foreign Trade. While the severe dislocation of international trade has naturally resulted in a substantial decrease in our exports, we have cause to be satisfied with the way in which Canada has adjusted her position. In 1929 our excess of merchandise imports amounted to $90,000,000 and in 1930 to $103,000,000. The first eleven months of 1931 resulted in the adverse balance of trade being reduced to approximately $25,000,000, and if we take the six months ended November 1931, even more favourable results are shown, namely a favourable balance of $34,000,000 compared with an unfavourable balance of $44,000,000 for the corresponding months of 1930. These figures reflect the transition from the period of expansion and development coupled with the investment of foreign capital in Canada to a period of retrenchment and reliance on our own resources. In my opinion the successful bridging of this gap with a minimum of disorganization constitutes clear proof of the resilience and fundamental strength of the Canadian economic system.

Railways. The gross and net earnings of the railways continue to be seriously affected by the general depression and unfair, uncontrolled competition of motor trucks, buses, etc. The Government is to be congratulated on the appointment of a Royal Commission whose high standing and ability will, I am confident, ensure recommendations which, if adopted, will in large measure solve the present very serious situation caused by uneconomic competition and duplication of services. Savings to the country of from $60/75,000,000 a year are possible, and this without impairment of service to the public. It must be remembered that the railways are now under the absolute control of the Railway Commission, which regulates the service given and the rates charged for passenger, freight and express service.

Imperial Conference. I look forward with confidence to the Imperial Conference to be held in Ottawa during the coming summer,

as it is evident there is a widespread sentiment favourable to the increase of Empire trade. It will require careful analysis and close study to create a scientific tariff structure which will stimulate reciprocal Empire trade without handicapping home industry.

As long as other nations raise intolerable tariff barriers against British Empire goods, it is necessary that the different parts of the Empire should protect themselves by concerted action which will increase trade within the Empire. It is to be hoped that the Governments of Great Britain and Canada will work out a basis by which Great Britain will be able to purchase a greater proportion of our wheat and other agricultural products, lumber, newsprint, and the products of our mines, and that Canada, in turn, will be able to direct a larger proportion of her foreign purchases to Great Britain and other parts of the Empire.

Finance. The outstanding event of the year in the realm of finance was the success of the National Service Loan. At a time when it was desirable that banks, insurance companies and other financial institutions should conserve their resources, the response from the large number of small investors was particularly gratifying. The raising of over $220,000,000 in record time was indeed a notable achievement.

Both the internal and external revenue have been reduced by the decline in activity of trade. The total liabilities of the country have been sharply increased, with the result that, as of November 1st, 1931, the net public debt of Canada amounted to $2,309,000,000, in addition to which the Government has guaranteed $590,000,000 bonds of The Canadian National Railways and $31,000,000 of other bonds. The debts of the provinces and municipalities of Canada are in excess of $2,000,000,000, bringing the total public indebtedness of the country to almost $5,000,000,000. Expenditures by governments and municipalities have been excessive and the interest on our huge public debt constitutes a heavy burden on the people. There never was a time in our history when it was so necessary to avoid extravagance of every kind, and governments, Federal, Provincial and Municipal, should follow the splendid example set by the British National Government in reducing the cost of administration and balancing their budget.

The prohibition of the export of gold except under license produced a substantial premium on New York funds, and as a consequence, Federal and Provincial Governments, municipalities and corporations who have to make interest payments or amortization of debts in New York have been called upon to bear a large increase in charges. The premium on gold, however, has been a positive advantage in its influence on internal prices and as an aid to our export trade. The main cause of the present depression is the fall in the price level. So long as this continues, industry will be unprofitable and the volume of business will decline. Whatever tends to reverse this trend must stimulate business activity and increase employment,

and from this point of view the developments that have taken place will strengthen the position of our internal economy.

World Situation. A survey of world conditions during the past year presents a picture of difficulties unprecedented in times of peace. Following financial difficulties in Austria and Hungary, Germany found herself in a very difficult situation. The Hoover moratorium on war debts and reparations produced a temporary relief, but subsequently Germany found it necessary to ask her creditors for what is, in effect, a general moratorium on the foreign debts of her banks. This moratorium expires on February 28th, and negotiations are now proceeding for a new arrangement which it is hoped will provide a permanent solution. It is encouraging that so far there have been no defaults on any of the securities of European governments, with the exception of some of the issues of Hungary.

Arising out of the difficulties of Central Europe, the financial position of Great Britain made it necessary for her to abandon the gold standard last September. This was a shock to the world on account of the traditional importance of the pound sterling in international trade, but from the British point of view this development has been favourable in its effect. By reducing the gold value of the pound sterling, Britain obtained a reduction in production costs which put British industry in a better competitive position. The subsequent increase in employment is particularly significant at a time when unemployment is increasing rapidly in other countries.

The stagnation of trade and the cessation of international lending have resulted in defaults on a large number of bond issues of South American countries. It is a fact, however, that internal trade in most of these, aided by depreciation of their currencies, has maintained a relatively more satisfactory volume than has been the case in the United States or Europe.

The question of war debts and reparations is about to be discussed at an international conference. A rational solution of international debt problems is fundamental to the rehabilitation of world trade. It is hoped that as a result of this discussion war debts and reparations will be dealt with on a basis of practical common sense.

Summary. It has been said that it is darkest just before dawn and in previous depressions conditions have seemed most discouraging at a time when improvement had already set in. The violence of the depression must, of itself, tend to produce a strong reaction. It may well be that the gold countries are now on the verge of a rise in the price level which they will be powerless to prevent, due to the steady stream of gold which must continue to flow to these countries, aided by the inflationary tendency which will result from financing government deficits and other extraordinary efforts which may have to be undertaken to relieve the financial pressure from the rest of the world. In this connection it is significant that India has, since Great Britain suspended gold payments, shipped no less than £20,000,000

in gold, an outward movement for which there is no precedent. Other underlying factors are favourable to increased prices at the first sign of returning confidence. The stock market has been liquidated to a point where speculative accounts are negligible, and quoted values of most securities are well under their intrinsic values. The investing and speculative public have lost their sense of proportion to a degree almost equal to that in the boom market. I am convinced that as soon as measures are taken that will restore confidence in the United States, world business will begin to improve. President Hoover's reconstruction programme seems ably designed to take care of a number of their pressing problems.

I have witnessed many depressions during the course of the last fifty years and I see nothing in this one which weakens my faith in this country. With a sound and strongly integrated banking system, no important investments in depreciated foreign Government securities, an industrious and virile people who have maintained their morale unimpaired, and with a system of government permitting prompt and decisive action, Canada is in a relatively satisfactory position and we are justified in looking to the future with confidence.

Address of the Vice-President and General Manager, Mr. M. W. Wilson

The report presented to-day will, I feel sure, be regarded by you as eminently satisfactory. The continuance of business depression throughout the world and further declines in commodity price levels have involved not only a shrinkage in the volume of trade, but also a material reduction in its dollar value, and it is the latter which in one form or another enters into bank balance sheets. The changes hereafter referred to follow the general trend of operations of banks in Canada. The maintenance of our assets at a figure as high as $825,000,000 reflects not only the conservation of existing business, but also the acquisition of new and desirable connections.

Deposits. Deposits are reported at $647,303,075 compared with $695,589,060 a year ago. Of the reduction only $7,160,200 pertains to our Canadian business. The falling off outside Canada was to be expected in view of restricted international trade, which also explains the reduced amount under Letters of Credit outstanding. An achievement of which our Government and Canadians generally may well be proud, was the substantial over-subscription of the Dominion of Canada National Service Loan $150,000,000 asked for, and over $220,000,000 subscribed. This loan was in process when our fiscal year ended, and will naturally have the result of reducing the Savings Deposits of Canadian banks, for the time being at least.

Advances under the Finance Act stand at $20,000,000. This Act, as you may recall, was put in force by Canada in 1914, and ever since has amply proved its worth. Under it, banks are empowered to borrow Dominion notes from the Dominion Government against

approved securities. In our case, we have always put up Dominion or Provincial Government bonds. It gives to Canadian banks the equivalent of re-discount facilities, thereby enabling them to take care of the legitimate borrowing requirements of Canadian customers to a greater extent than would otherwise be possible.

Strong Liquid Position. The liquid position of the bank has been maintained at substantially the same ratio as a year ago, quickly realizable assets being more than 48% of liabilities to the public. These assets include cash on hand and in banks $150,286,891; Dominion and Provincial Government securities $85,473,058; Canadian Municipal and British and Foreign Government securities $24,641,816; Railway and other Bonds, etc. $11,935,404; and Call Loans $76,293,380. Of the latter $39,137,268 are in Canada, and represent a reduction of 32½% during the year.

During the year it has been comparatively easy to take care of the borrowing requirements of customers. Loans and Discounts are reported at $419,345,043, those in Canada being down $19,556,795, and those abroad $6,871,785 for the year.

Earnings, reflecting reduced turnover and easier money rates at reserve centres, are somewhat lower, being reported as $5,448,327, compared with $6,572,627 last year. Added to the amount brought forward from 1930 there was $9,555,105 available for distribution. The usual dividend of 12% was paid, absorbing $4,200,000. $200,000 was contributed to Officers' Pension Fund, the customary $400,000 appropriated for Bank Premises and $600,000 reserved for Dominion Government taxes. This left the substantial balance of $4,155,105 to be carried forward to the next year.

Statements of our controlled companies, Globe Realty Corporation and Canadian Realty Corporation, are before you. Through the operation of sinking funds, the bonded indebtedness of these companies has been reduced over $500,000 during the year. The amount due the bank by Globe Realty Corporation shows an increase, due to the completion of the Vancouver Building. The entire capital stock of the companies, representing a substantial equity, is owned by the bank, and stands in our books at $1 in each case.

Last June our Vancouver Building was completed, and is now occupied by the bank. It adequately provides for the needs of our important business in that city, and notwithstanding prevailing conditions, a gratifying proportion of rentable space has already been leased. Our only other building operation of moment at the present time is in London, England, where, as reported last year, we are erecting premises which will be ready for occupancy next summer.

Canadian Banking System. Once again the ability of the Canadian banking system to take care of the needs of the country has been clearly demonstrated. The type of organization under which they operate enables our banks to take a broad view of the transactions that come before them, and I think it will be admitted that the

disposition has been to deal with the problems of their customers in a sympathetic and constructive manner.

It is not my intention to refer in any detail to the various aspects of the world-wide depression. The President has reviewed conditions, both at home and abroad. From the point of view of the bank, I may say that the situation has been surprisingly good in almost all the foreign countries where we are represented. The currency depreciation which has taken place in certain cases has served in large degree to prevent a fall in the internal price level, thus maintaining the business structure to an extent which would otherwise have been impossible. This is particularly the case in Brazil, in which country business activity has been increasing in many lines. Similar conditions became operative in Great Britain subsequent to the suspension of gold payments and the same may be said of the British West Indies, which are on a sterling basis. Our foreign branches have never been allowed to expose themselves to risk of loss through exchange fluctuations, and as a result, our experience during the last year has been entirely satisfactory.

The report of the proceedings of this meeting, which will be mailed to shareholders in due course, will contain the usual detailed reports on trade and industry in the various provinces of Canada and the other countries in which we do business.

Restoring 1924-28 Price Level. On previous occasions we have stressed the importance of restoring the world price level to approximately 1924-28 levels at which point present debts would be bearable. This is essential if the present depression is to be liquidated in an orderly manner. Deflation has been carried to extremes, and anti-deflation measures are urgently required. Fortunately, various measures now being considered by the United States Congress justify the hope that corrective forces may soon be at work in that country.

A point I should like to stress is that, as the depression continues, the factor of business psychology is one of constantly increasing importance. Distrust between countries, lack of confidence in established institutions, timidity in business transactions of all kinds and last but not least, apparent inability to face the facts of the international debt and reparation situation, are largely responsible for the extremes to which world business has gone. We in Canada have been particularly fortunate in this respect. The morale of our people has been maintained at a high level. Confidence in our country and in our ability to solve the problems that present themselves is above the average, and in my opinion, is amply justified by our past record and future prospects.

International Confidence. The most vital problem to-day is the restoration of international confidence. The obstacles in the way of this goal can be removed by whole-hearted co-operation between the leading nations. There have been encouraging signs of a clearer

understanding of the seriousness of the situation and of a greater willingness to face realities. While I do not wish to venture any prediction as to the date of business recovery, it will be very disappointing if an improvement does not take place during 1932. The leaders of politics and finance in the principal countries are capable of bringing this about and the indictment against any who block the way will be severe indeed.

We must not get into the frame of mind in which we think of losses as pertaining to all business activities. The truth of the matter is that the majority are holding their own. Reduced earnings for the time being may be inevitable, but we should be gratified that in this period of transition a great majority of our Canadian concerns are more than covering operating expenses, and that our agricultural population is staying on the land and maintaining the acreage under cultivation. There are signs of stabilization in a number of directions, our physical assets are being kept intact, and with reasonable economy and hard work we shall find that Canada will be one of the first countries to feel the good results of business recovery.

Following a review of conditions in the Maritime Provinces, Quebec, Ontario, the Prairie Provinces, British Columbia, Newfoundland, Argentina, Brazil, Colombia, Peru, Uruguay, Venezuela, Cuba, British West Indies, British Guiana and British Honduras, French West Indies, Dominican Republic, Haiti, Porto Rico, Costa Rica, and Panama, the Directors' Report was unanimously adopted and the Directors for the ensuing year were elected as follows:

SIR HERBERT S. HOLT, K.B., President

A. J. BROWN, K.C., and M. W. WILSON, Vice-Presidents

HUGH PATON	A. McTAVISH CAMPBELL	JULIAN C. SMITH
W. J. SHEPPARD	ROBERT ADAIR	ARCHIBALD FRASER
C. S. WILCOX	HON. WM. A. BLACK, M.P.	W. J. BLAKE WILSON
A. E. DYMENT	C. B. McNAUGHT	SIR HENRY W. THORNTON, K.B.E.
G. H. DUGGAN	G. MacGREGOR MITCHELL	G. HARRISON SMITH
JOHN T. ROSS	R. T. RILEY	W. F. ANGUS
W. H. McWILLIAMS	STEPHEN HAAS	PAUL F. SISE
CAPT. WM. ROBINSON	JOHN H. PRICE	JAMES McG. STEWART, K.C.
	W. H. MALKIN	

GENERAL STATEMENT

OF

THE ROYAL BANK OF CANADA

30th NOVEMBER, 1931

LIABILITIES

Capital Stock Paid up		$ 35,000,000.00
Reserve Fund		35,000,000.00
Balance of Profits carried forward		4,155,105.61
Dividends Unclaimed		8,723.93
Dividend No. 177 (at 12% per annum), payable 1st December, 1931		1,050,000.00
		$75,213,829.54
Deposits not bearing interest	$170,913,903.64	
Deposits bearing interest, including interest accrued to date of Statement	476,389,171.86	
Total Deposits		$647,303,075.50

LIABILITIES—*Continued*

Notes of the Bank in circulation	$ 33,237,097.54
Advances under the Finance Act	20,000,000.00
Balances due to other Banks in Canada	836,763.11
Balances due to Banks and Banking Correspondents elsewhere than in Canada	16,655,880.18
Bills Payable	3,121,924.13
Liabilities not included in the foregoing	367,360.18
Letters of Credit Outstanding	28,966,506.64
	$825,702,436.82

ASSETS

Gold and Subsidiary Coin on hand	$ 27,530,855.47
Dominion Notes on hand	39,169,403.25
Deposit in the Central Gold Reserves	3,000,000.00
United States and other Foreign Currencies	15,842,986.38
	$85,543,245.10
Notes of other Canadian Banks	3,378,737.54
Cheques on other Banks	25,329,297.95
Balances due by other Banks in Canada	3,144.37
Balances due by Banks and Banking Correspondents elsewhere than in Canada	36,032,466.96
Dominion and Provincial Government Securities (not exceeding market value)	85,473,058.48
Canadian Municipal Securities and British, Foreign and Colonial Public Securities other than Canadian (not exceeding market value)	24,641,816.53
Railway and other Bonds, Debentures and Stocks (not exceeding market value)	11,935,404.81
Call and Short (not exceeding thirty days) Loans in Canada on Bonds, Debentures and Stocks and other Securities of a sufficient marketable value to cover	39,137,268.36
Call and Short (not exceeding thirty days) Loans elsewhere than in Canada on Bonds, Debentures and Stocks and other Securities of a sufficient marketable value to cover	37,156,111.72
	$348,630,551.82
Current Loans and Discounts in Canada (less rebate of interest) after making full provision for all bad and doubtful debts	291,576,220.24
Current Loans and Discounts elsewhere than in Canada (less rebate of interest) after making full provision for all bad and doubtful debts	124,581,388.79
Non-Current Loans, estimated loss provided for	3,187,434.63
Bank Premises at not more than cost, less amounts written off	17,277,976.75
Real Estate other than Bank Premises	2,163,752.46
Mortgages on Real Estate sold by the Bank	901,177.15
Liabilities of Customers under Letters of Credit as per contra	28,966,506.64
Shares of and Loans to Controlled Companies	6,172,799.50
Deposit with the Minister for the purposes of the Circulation Fund	1,700,000.00
Other Assets not included in the foregoing	544,628.84
	$825,702,436.82

NOTE.—The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the Bank in Paris, and the assets and liabilities of The Royal Bank of Canada (France) are included in the above General Statement.

H. S. HOLT,
President.

M. W. WILSON,
General Manager.

AUDITORS' CERTIFICATE

To the Shareholders, The Royal Bank of Canada:

We have examined the above Statement of Liabilities and Assets at 30th November, 1931, with the books and accounts of The Royal Bank of Canada at Head Office and with the certified returns from the branches. We have verified the cash and securities at Head Office at the close of the Bank's fiscal year, and during the year we counted the cash and examined the securities at several of the important branches.

We have obtained all the information and explanations that we have required, and in our opinion the transactions of the Bank, which have come under our notice, have been within the powers of the Bank. The above statement is in our opinion properly drawn up so as to disclose the true condition of the Bank as at 30th November, 1931, and it is as shown by the books of the Bank.

W. GARTH THOMSON, C.A.,
of Peat, Marwick, Mitchell & Co.
A. B. BRODIE, C.A.,
of Price, Waterhouse & Co.
} *Auditors.*

Montreal, Canada,
28th December, 1931.

"WE ARE STILL RICH IN OPPORTUNITY"

ANNUAL ADDRESSES

OF

THE CANADIAN BANK OF COMMERCE

FOR THE YEAR ENDED NOVEMBER 30TH, 1931

Address of the President, Sir John Aird

When addressing you a year ago I said that among the hopeful signs pointing to economic recovery were conferences of leaders in finance and politics, having for their object the removal, or at least the easing, of depression. The results I expected have not been realized, but notwithstanding that the unfavourable and complicated world events of the past year make definite prediction impossible, Canada seems to be moving steadily, though slowly, toward economic improvement and recovery.

Obstructions to International Commerce and Finance. Back of all the immediate causes of this depression are the disintegrating forces released by the war and its settlement. The remaking of the map of Europe added 7,000 miles of tariff walls, behind which new industries were established based on extreme nationalistic ideals rather than sound economics. Tariff-making, extending to practically every commodity and adopted by almost every country in the world, developed to such an extent that the 1927 World Economic Conference urged that it be ended, an admonition that might have been heeded if the United States had not shortly afterward undertaken to raise its tariff. So, nations have sought to prosper at the expense of, instead of in co-operation with, each other.

The world's monetary system as a whole could have held the general price level at least one-third higher than in 1913, for until 1928 the operation of the gold reserves of both Great Britain and the United States was so efficient, even in the face of tariff restraint upon trade, as to diffuse capital and credit throughout the world and so maintain distribution of goods in pace with their production. From 1928, however, the large gold takings of the United States and France, have served no useful purpose in international trade, although the former country might have again become an international lender —perhaps a more cautious one—had not its tariff and disturbed politics abroad intervened. In the case of France practically all outward capital movements have been of short-term money.

Under the conditions outlined it is no cause for surprise that gold, which in the past so pre-eminently served as the monetary standard

in all periods save those of most abnormal economic stress, should have failed in the full discharge of its function in redressing international trade balances, and that Great Britain and many other nations should have been forced to depart temporarily from it as the basis of their financial systems.

Soundness of Canadian Banking System. It is a real cause for thankfulness that while severe financial storms raged in Continental Europe, Great Britain and the United States, the Canadian banking structure has stood firm and unshaken. Banking as practised in different countries presents varying elements of strength and weakness, depending upon the laws by which it is governed, its flexibility, and, above all, its management. If criticism is to be made of banks, particularly of reserve institutions, it should be on the score that in attempting to promote the growth of trade, and political and economic peace, they have at times made credit too cheap, or at least not sufficiently dear to prevent the flow of some of it into unsafe channels and to check speculation and over-expansion generally. I disclaim any quarrel with the various forms of credit used for business, but it is now quite plain that purchasing in anticipation of income, the real definition of instalment buying, was largely responsible for industrial expansion in former years that cannot be maintained in a period of declining income. Important changes are now promised, however, in the New York money market, through which it is planned to exercise stricter control over speculation, not only by denying corporation funds entry to the call loan market, but also by developing acceptance business, that is, the discounting and re-discounting of bills resting upon trade transactions. If these measures prove successful, frenzied speculation may be prevented in the future and international trade stimulated, with advantages to all concerned and with considerable prestige to New York as a money centre. Through such changes also, and with co-operation from investment bankers, industrial over-capitalization may be avoided, or at least curtailed.

The American banking system as a whole has been severely tested during the past year, but the largest and best managed commercial institutions have given ample proof of strength and a number are among the soundest banks in the world, while the Federal Reserve Bank was able recently to meet without the least strain what was probably the greatest demand for monetary gold ever made at any one time.

Canadian banks through adherence to sound principles of banking, not only in the extension of credit, but in the maintenance of strong liquid reserves, have saved this country from serious financial disturbance, and present again an illustration of the stability of the branch banking system in times of world depression, not less marked than its flexibility and adaptability to all reasonable requirements in periods of expansion.

Imperial Economic Unity. By reason of the nationalistic tariff-making to which I have referred and the general trade and financial conditions prevailing throughout the world, the question of promoting greater economic unity within the British Empire has again arisen under more promising circumstances than have existed since the subject was first seriously discussed fifty years ago. True, the legal ties have been loosened, and there are conflicting interests within the organization, but I pass on to you some observations on the Empire question by two eminent European observers. The one states in effect that it is almost incomprehensible that the present uniquely favourable opportunities of organic union be not fully utilized, while the other says, "When England changes, we say she is dying, and it is never true. The Empire, and the spirit of England on which it thrives, has unlimited powers of adaptation and life." More closely united, the Empire could be a powerful force in restoring normal trade. If need be, the Empire could establish a monetary system of its own, but it also could re-establish unaided a gold standard. The Empire now furnishes each year about three-quarters of the world's new supply of gold and it might, if circumstances warranted, and as has been the case in the past with South African gold, exercise first claim upon this production for years to come. No more striking example of the financial reserve powers of the Empire has been furnished than the recent gold exports to London of twenty million pounds sterling from India, with additional shipments in sight from a store that may be as great as two billion dollars. It is safe to surmise that most, if not all, of any reduced output from the Rand will be made up by Canada. I hold to my prediction, expressed a few months ago through the press, that the value of Canadian gold production will be about 100 million dollars ten years hence, almost double that for 1931. Within the past year only a few of the world's important gold producing countries increased their output of this metal, the largest increase being in Canada, which has not reached the limit of its productive capacity from the mines now operated, and which offers the best opportunities for new discoveries of gold. Canada's gold production has proven and will continue to be a factor of inestimable value to the Dominion in enabling us to redress our international trade balances, and in meeting the burden of our external obligations in a period when fresh borrowing is practically prohibited owing to prevailing credit conditions in foreign money markets.

World Problems. Each nation has a host of problems of its own, interwoven with and bearing upon those of universal character. But if these problems seem greater than ever before there is a larger fund of experience, and, I hope, a higher intelligence to draw upon. Early settlement of the immediate problems, those concerning reparations, war debts and the financial safety of Central Europe, depends largely upon public opinion in France and the United States. It should be quite apparent to all, and to France in particular, that

revision of reparations is justified, first, because a sharp decline in the general price level has made the Young Plan more burdensome than the Dawes Plan, and secondly, because a nation like Germany cannot be kept impoverished without serious injury to her neighbours. It should also be quite clear that settlement of German private debts must precede that of reparations if payment of the latter, even on a modified scale, is to be resumed. Further, industrial Europe faces the question of how it can reconcile a large industrial output with high protection against foreign agricultural products, the United States how long it can continue in the impossible position of a high tariff country and a world creditor to the extent of twenty odd billion dollars, and Great Britain what success she can attain in her efforts to place her exporting industries on a better competitive basis than formerly. Superimposed upon this mass of difficulties is the problem of rebuilding the world's monetary system so as to end the violent exchange fluctuations which now handicap world trade. The monetary mechanism of Central Europe has all but collapsed, a number of countries having found it necessary to make reciprocal arrangements with each other for the exchange of goods, imports being offset against equivalent exports through some governmental or financial agency. This, in effect, is a modern form of barter and a cumbersome method of trading, but a natural result of the present lack of an international standard of value. It is, however, encouraging to reflect that the causes of all these difficulties are becoming more fully and more widely understood, and that the best intellects in the realms of statesmanship, commerce and finance are engaged upon the problem of their amelioration.

Taxation. Our own problems, although light when weighed with those elsewhere, press heavily upon us. The fear that prompted my warning last year against continued large government expenditures has become a reality. A taxation structure which in its entirety is about 30 per cent. greater than that of ten years ago must now be further enlarged, and this at a time when the country's tax-paying power has declined. The tax-paying public is, therefore, justified in urging the greatest possible economy on the part of all the government authorities, while the latter may rightly ask that the demands upon them by the public be limited to the minimum.

Canadian Railways. The railway problem is now in the hands of a highly capable commission whose report we await with anxious interest. Railway over-expansion is common to new commercial countries and is part of the price that Canada has to pay for unifying, with compensating advantages, half a continent, the topography of which all but defied its political federation. As a result, this country, with one-twelfth the population of the United States, has one-sixth its railway mileage, or more than that of either Germany, France, Great Britain or India, and but little less than that of Russia. Yet the increase in mileage in Canada of 43 per cent. since 1913 was until 1929 practically matched by increased traffic. The railways

have lost some revenue through the rival operation of trucks and buses and face further competition from this source, but their major difficulties seem to be due to the lessened traffic resulting from business depression and to competition between themselves to provide services that only the greatest prosperity could support.

Canadian Agriculture. The agricultural community has borne the brunt of depression in Canada, but has made the greatest progress towards overcoming it. Responding to the appeal to diversify their practice as much as possible, the prairie farmers have added considerably to their holdings of hogs and sheep, and slightly increased those of cattle during 1931. Butter production expanded by at least 25 per cent. The most notable achievement, however—though it may have been forced economy—was in grain production costs other than fixed charges, which, according to special reports made to the Bank, show a reduction in some cases of as much as 50 per cent. since 1929, and on the average about one-third.

The farmer, of course, has not yet overcome all his problems. The grain market prospects are reported to the Bank by some of the best authorities as brighter than a year ago, but there are important qualifying factors, namely, that wheat is a political element of the first order, particularly in Europe, where the desire for independence of the overseas product is still strong, and where the financial situation is still precarious. The most definite factors which favour the Canadian grower, at least as far as the current year is concerned, are large acreage reductions in other exporting countries, first in Argentina and Australia, and more recently in the United States. The long-range view of the grain markets is, however, still so uncertain as to demand increasing attention to all possible diversification of farming in the West, and otherwise to the strengthening of agriculture in that part of the country, through such measures as the formation of the Dominion Agricultural Credit Company Limited by the railway companies, the banks and other institutions. The requirements are not only for as much self-sufficiency as a farmer can attain, but for the greater use of low-grade grains for conversion into live stock, dairy and poultry products, first, to displace imports of grains, and secondly, to rebuild on a large scale the export trade in meats and butter which we lost some years ago. What an opportunity we missed then! Witness the fact that the per capita consumption of butter in Great Britain increased between 1913 and 1928 from about 10 pounds to nearly 15 pounds; of beef from 22 to 33 pounds; and of bacon and ham from 14 to 23 pounds.

There is a challenge in the farmer's record of the last two years to those who supply him with goods. According to a special analysis based upon the actual value of agricultural products the farmer's purchasing power has declined by more than one-third since 1929, while the spread between the general level of raw material prices and that of the prices of manufactured goods in Canada is greater than in a number of other countries. The history of prices will probably

repeat itself and raw materials rise somewhat in value, but the purchasing power of the farmer will not be restored to normal until retail prices are lowered still further, the responsibility for which rests both upon labour and its employer. The general attitude of labour has been conciliatory and the actions of certain trade unions in accepting, even in offering to accept, lower rates is greatly to be commended, but there is still much to be done before the cost of goods can be reduced and brought again within easy reach of the farmer. Apart from the steep decline in the farmer's income, there has been a depreciation in capital of about 30 per cent. during this depression, a figure arrived at by comparing the capitalization shown in the balance sheets of fifty companies with the recent value of this as shown in stock market quotations. In effect, if the public had to realize upon its investment in these companies it would receive 30 per cent. less than it put into them. Therefore, the greatest hope for labour is a widening of the market for the goods it produces, and that expansion can come through lower costs which would benefit labour, as they would all other classes.

Democracy and Capitalism Allied. Can we regard as serious the statements that democracy and capitalism have failed, and that these systems should be overthrown in favour of some scheme which would chain people to a huge treadmill, as in Russia? Democracy is government by public opinion. Most of the democratic countries are able to borrow on public faith alone, their securities are given the highest credit rating, and they have a wider distribution of wealth among their people than elsewhere.

Capitalism goes hand in hand with democracy. It has been mainly responsible for the command that we now have over nature and science and for unifying the world with its 800,000 miles of railway lines, 70,000,000 tons of shipping vessels and a network of transmission lines and stations that flash messages over the globe. It has been the chief force in turning iron into steel, and coal into numerous by-products, and in the development of mechanical power so that a few men with machines have a productive capacity far above that of a myriad of slaves in the days of Imperial Rome. Some further results of capitalism are that during the last century the world production of wheat has been raised from about half a billion bushels to over four billion, while the output of copper increased twenty and that of lead sixty fold. All classes have shared in the benefits of capitalism and its advantages over-balance its disadvantages.

Canada's Resources. The position of Canada in this organization of democracy and capitalism has become more important with the passage of time. The larger background of Canadian economy is progress, though the vivid pattern of depression shows up at times. Our prairie land is one of the four great grain belts on the globe, and while its climatic conditions are against even yields

and it is far from the seaboard, its average yield per acre of the best bread wheat is higher than the world average of all wheats. We make sparing use of our iron ranges and coal beds, the latter estimated to contain one-sixth of the world's reserves of this fuel, only because there are cheaper and more convenient sources elsewhere. Our forests, the second largest in the world, are the scene of the most advanced manufacture of wood, a material which has two thousand known uses and a possible range of twice that number. Not only are our mines among the leading producers, but their ore bodies are either so large or so rich that they are in a preferred position. For example, the world's average copper content in the known ore reserves is 2 per cent., while that in the deposits of Canada is about 3 per cent., and according to a noted American authority the major lead-zinc producer in this country should be the least affected by depression.

Natural forces will triumph over all attempts to defeat them and a country like this will again surge forward. Depression, instead of proving fatal to business initiative, will develop an incentive to invention and management. The pressure of economic forces and the attractions of the younger commercial nations, like Canada, will cause a new wave of migration from over-crowded countries. There is no other part of the world that stands to gain more from the operation of these forces than ours. We are still rich in opportunity.

Faith in Canada. So, I reaffirm my faith in Canada. It is a faith based not upon mere patriotic motives, but mainly upon the more than sixty years that I have spent as a servant of business and finance, which has been a period of great, though occasionally interrupted, progress. I envy those Canadians who have a lease on the next half century, for they will see their country advance to a still higher place in world business.

Address of the General Manager, Mr. S. H. Logan

The financial statement just presented shows the Bank to be in an even stronger position than a year ago. I refer especially to the high degree of liquidity which characterizes our statement and which has evoked favourable comment from financial observers in both Canada and the United States.

With full provision made for all bad and doubtful debts our net profits for the year were $4,775,000, and after the payment of the regular 12 per cent. dividend and the customary appropriations we have been able to carry forward into the current year a slightly larger surplus than a year ago.

Our note circulation, following the general trend of business, declined from $29,000,000 to slightly over $26,000,000. Our total deposits fell from $556,000,000 to $525,000,000 owing to world conditions, bond investments and financial requirements abroad. No material change occurred in non-interest-bearing deposits, which

remained at $122,000,000, but interest-bearing declined from $398,-000,000 to $377,000,000 and bank balances from $34,000,000 to $26,000,000. Advances under the Finance Act increased by $5,000,-000. The quiet state of trade accounts for a reduction of $12,000.000 in our liabilities under Letters of Credit. The amounts of our paid-up capital and reserve fund $30,000,000 each, remain as before.

High Ratio of Quick Assets. The outstanding feature of the assets side of the balance sheet is the high ratio of quick assets to liabilities to the public. A year ago the ratio was 55 per cent. This year it has been increased to 57 per cent. and that of quick assets to all liabilities from 50 to 51 per cent.

A bank is called upon to perform two functions, which it is the business of the bank's management to correlate, one a function of trust, in safeguarding its depositors' and shareholders' funds, and the other of financial and commercial service in lending these funds for useful ends. There is no question in my mind but that the first is the primary duty. It has always been a principle of Canadian banking, and one which has never yet been broken with impunity, that a high percentage of the funds committed to a bank shall be realizable immediately or at short notice, and that its commercial loans shall be subject to prompt and periodic liquidation. For this reason I have stressed the high ratio of our quick assets to our liabilities.

Our cash holdings and bank balances amount to over $113,000,-000, or nearly 20 per cent. of our public liabilities and about the same ratio as the year before. Our security holdings and call loans against bonds, stocks, etc., amount to $216,000,000, or virtually the same figure as a year ago, but the relative importance of these two classes has been completely reversed, call and short loans falling from $128,000,000 to $85,000,000 and first-class security holdings rising from $90,000,000 to $130,000,000, as I intimated a year ago might be the trend during 1931. Current loans and discounts have declined $19,000,000, of which $14,000,000 is accounted for by a decrease in the Canadian demand. No material change has occurred in the remaining items of the balance sheet.

Canadian and World Industry. World industry has continued the downward course upon which it entered in the mid-summer of 1929. The recession has been most marked in the United States, Germany and Sweden, though the decline in Germany was not so great as might have been expected in view of her serious financial difficulties. In Great Britain there was practically a continuous decline until the latter part of the year. France, despite her supposedly impregnable position, lost so much ground as to be drawn well into the current of world depression. In Canada the reduction in industrial output was relatively less than in some of the major manufacturing countries. The decline in 1931 was about 17 per cent. as compared with 20 per cent. in 1930, while the fall in the

general price level was 12 per cent. as compared with 18 per cent. in 1930. In agriculture we have had to contend with lower prices and smaller grain crops in the West, but the latter were at least well above those expected early in the growing season, and those of Eastern and Central Canada were generally satisfactory.

Turning to primary industries, apart from agriculture, the world production of lumber was about 30 per cent. less than in 1930, that of the United States declining nearly one-third, that of Northern Europe—Russia and the Scandinavian and Baltic countries—about one-quarter and that of Canada between 20 and 25 per cent. From preliminary reports it appears that the world output of newsprint declined by only 6 per cent., a fairly large decrease in some European countries being partly offset by an increase in Sweden and Finland, while production in the United States dropped by 10 per cent., and in Canada by 12 per cent.

Canadian and World Mining. It is in the sphere of world mining that Canada shows to the best advantage. As is well known, this country, with a gold production valued at 55 million dollars in 1931, is now the second largest producer of the yellow metal. But this fact assumes greater significance if it is considered that our gold mines, by increasing their output by over 500,000 fine ounces, have been mainly responsible for a larger world supply than in 1930. A continued rise in Canadian gold production is most probable, for, taking into account only those properties upon which development is well advanced, the proven ore reserves have an estimated value of at least $200,000,000, and the potential reserves may yield greatly in excess of that amount. Apart from nickel, the supply of which from this country—the major source—dropped by more than one-third in 1931, the world's non-ferrous base metal industry operated at a level about one-fifth below that of 1930, and while the Canadian production of lead declined proportionately, that of copper was reduced by only 4 per cent. and that of zinc by 12 per cent. Despite the record low prices of base metals most of our producers have been able to make small profits, in contrast with generally unprofitable operations in some other countries. In non-metallic mining there was a decline in Canadian coal of 20 per cent. as compared with one of 13 per cent. in all other countries for which statistics are available; of one-third in asbestos from our mines; and an increase of 2 per cent. in petroleum from our oil fields.

World Trade. From all the available evidence the startling fact appears that world trade has suffered in this depression its greatest contraction in the last fifty years. During 1931 the decline in the volume of world exports was about 15 per cent., Sweden, the United States, Great Britain, India and Canada showing, in the order named, the largest losses. In volume of imports the most marked reductions were in Germany, Poland, Canada, Italy, and the United States, again in the order named.

An unfavourable visible balance in Canadian foreign trade of over 100 million dollars for 1930 has been reduced to less than 10 millions, from which development, and from a succession of favourable balances in the latter half of 1931, we should derive the satisfaction that, internationally speaking, we are now living within our means. In volume, imports fell by about 25 per cent., and exports by nearly 20 per cent. Smaller imports of grains, butter, hides and raw tobacco are almost wholly, and those of meats, copper and motor vehicles are partly, explained by a greater use of domestic products. Reductions in our purchases of cotton, rubber, iron and steel, electrical apparatus, machinery and coal are representative of the lessened requirements of Canadian industry, while those of farm implements indicate the low purchasing power of agriculture. The textile mills using silk and wool imported slightly larger quantities of these materials.

In 1931 we increased our exports of grain, selling 237,000,000 bushels of wheat alone and, despite acute competition, holding first place in the world wheat trade, but the financial returns from all grains and their products were about 80 million dollars less than in the preceding twelve months. Our export trade in rubber manufactures suffered both as to quantity and value, as was also the case with meats, lumber, fish, metals, automobiles and machinery, while foreign sales of tobacco and some dairy products were increased. Exports of newsprint fell in proportion to the decline in production already noted, but the decrease in value, 25 million dollars, was relatively greater.

Foreign Exchange. Trade does not thrive under such unstable exchange conditions as now exist throughout the world and with depreciated currencies so general no one country has much, if any, advantage over another. It should be a matter of national pride that this country, of necessity in the past a large borrower, has been able to meet its external debts, increased by the premium on American funds, at a time when at least two billion dollars of other foreign government securities and interest payments are in default, and also that following large-scale liquidation of securities those issued by the Dominion Government stand among the highest on the New York quotation list. Our ability to maintain this enviable record and to justify other peoples' strong faith in us, as well as to meet maturing external obligations, depends in no small measure upon the success we achieve in balancing government revenues and expenditures, Dominion, Provincial and Municipal. Apart, therefore, from consideration of taxation, economy in public expenditures should be the watchword.

Looking Ahead. Canada not only has a comparatively good business record during the last two years, but having entered this period of depression somewhat earlier than most other countries is probably further advanced in the readjustment required in such

times as the present. We may, therefore, be nearer to better conditions than is generally realized, though frankly, I cannot say just when prosperity will return. Upon a great mass of war liabilities there has been piled (through easy money conditions, over-borrowing and general extravagance), a fresh debt burden that prevents a part of the present generation purchasing goods in large quantities. Intermingled with the difficulty of repayment when times are hard, are the after-effects of unsuccessful attempts to fix commodity prices and to stabilize exchanges by artificial means, reparation payments impossible of collection, armaments and tariffs provided at the expense of trade and gold reserves that do not function properly. But the lessons from past errors are bringing a return to sane business methods, and the international problems that stand in the way of recovery are under earnest consideration by all the leading governments concerned, with the promise of marked progress towards at least partial solution. No scheme of things is perpetual, and prosperity will again come to those who earn it by thrift and persistent efforts to improve efficiency.

ONE HUNDREDTH ANNUAL REPORT

ADDRESSES OF THE PRESIDENT AND GENERAL MANAGER

OF

THE BANK OF NOVA SCOTIA

AT THE ANNUAL MEETING, HALIFAX, N.S., JAN. 27, 1932

Address of the President, Mr. S. J. Moore

It is with much satisfaction that the Directors are able to present the Report which is now in the hands of Shareholders, and which will be discussed at some length to-day by the General Manager of the Bank. Despite the generally unfavourable business conditions under which operations were carried on in 1931, earnings have been satisfactory, and the Bank's liquid condition, as always in the past, is well maintained.

The period of speculation, extravagance and unbounded optimism which preceded 1930, left a legacy of ills from which we are still suffering. The normal outflow and inflow of exchanges, whether in goods or money, has been so interfered with that credit, always very timid, has ceased to discharge its proper functions, confidence has been shaken, and fear has become a dominant factor. In at least thirty countries, it has been thought necessary to impose restrictions upon dealing in foreign exchange which have the effect of making sales of goods abroad exceedingly difficult at present. In the world's wealthiest country, as a result of these conditions, surplus wealth is no longer being employed as heretofore in the financing of perfectly solvent nations abroad. Money that should have been used for ordinary commercial purposes, within and without the United States, has been kept idle in large banking institutions because confidence is shaken, and within recent months the hoarding of money on a large scale has become a pernicious practice, with further unfortunate consequences for business. It is to be hoped that measures recently taken by the President and Congress will, by restoring confidence, bring back these hoards into circulation and provide the basis for greater commercial and industrial activity.

Consciousness of Empire. One of the outstanding events of the year, in so far as Great Britain and the Dominions are concerned, is the development of a more active consciousness of Empire. The potential benefits of an Empire trading policy have captured the imagination and await successful leadership. The spirit of give and take, so essential in a policy of such magnitude, must eventually

emerge from the meetings of the minds of earnest men who are convinced of the unprecedented opportunity.

Canada occupies an unique position in the Empire and should be able to make an important contribution to its deliberations when the Imperial Conference re-assembles this year. We must recognize, however, that the problems to be discussed at this Conference are of an extraordinarily intricate character. We have to work out in detail all the possibilities of dove-tailing products and markets in such a manner that the various industries in the different parts of the Empire shall, as far as possible, be complementary to one another and not in competition with one another. This demands a full equipment of expert knowledge and the most careful preparation in the months before us, if we are to reach the full possibilities of the Conference.

Progress of Business. Business has made substantial progress during the year in adjusting itself to the altered conditions, by liquidation of inventories and severely cutting controllable expenses; also, by increasing efficiency and seeking other lines and wider markets. The country generally is, therefore, I believe, in better shape to enter a period of improving conditions, when circumstances are again propitious, than it has ever been before.

We have much to be thankful for that our situation is less difficult than that of most of the young countries with which it is natural to make comparisons. At this season of the year, unemployment is, unfortunately, at its height, but we have been fortunate in that continued open weather has favoured our outdoor operations, and it is to be hoped that the months before us, as Spring approaches, will witness a considerable improvement.

The agricultural industry, which has been passing through a period of distress, begins to look more hopeful, and it is a source of pride to all Canadians that the large number of our citizens depending upon this industry have met adverse conditions with courage and confidence.

Splendid Reserve of Confidence. We can all of us vividly remember the war-weariness which characterized the last year of the Great War, and its influence upon the morale of the nations involved. We appear to be experiencing something similar with respect to this period of depression. As in 1918, so to-day, it is not unusual to hear current problems discussed as though the conditions against which we are now struggling were likely to be permanent; but these pessimistic views, which run counter to the teaching of experience, are not characteristic of the spirit of our people. There is a splendid reserve of confidence and courage in Canada which will bring us through the last lap.

The past year has witnessed a great improvement in the balance of Canada's external trade. In the year 1930, it was against us to the extent of about one hundred million dollars. Our unfavourable

balance has been steadily diminishing during 1931. During the twelve months ending last December, it was only between ten and eleven million dollars—a comparatively small figure in the total of Canada's international transactions. A continuation of present tendencies would mean the creation of a favourable balance in 1932, which might easily reach the proportions of forty million dollars or more for that year, and would assist us materially in dealing with our balance of payments abroad.

Compensations of Depression. Although the journey has already been a longer one than many expected it would be, the depression has not been without its compensations. Lessons have been learned, economies practised, hard work enforced, privations endured. All of these things were necessary to bring the nations to a sounder perspective and a more normal attitude than has been shown in recent years.

One of the most marked characteristics of the past decade has been an increasingly reckless manifestation of the spirit of nationalism. This has been expressed in many ways from time to time—in tense diplomatic relations between the governments; in growing expenditure for armament purposes; in reluctance to co-operate in the general interest of their peoples; in readiness to set up new barriers against the peaceful course of trade. We have learned that nationalism carried to excess can become a curse, and that the spirit of nationalism must be restrained if the lessons of the past few years are to be carried into practice.

For the solution of some of our most important difficulties, which are international, a number of conferences have been arranged, and will be held during the first half of 1932. Statesmen and economists are now striving to deal with the situation in the same way that the executives of our commercial and financial concerns have been obliged to deal with situations of smaller magnitude. Instead of acting upon prejudice and supposition, they are now dealing with facts, and it is to be hoped that agreement among them will hasten the time when the world will again be on the up-grade.

United States and Europe. It is unfortunate that the United States is not at present minded to help its own and the world's position by co-operating closely with Europe to bring about the desired improvement. Sooner or later, that country is sure to realize that no nation is big enough, and sufficiently self-contained, to ignore the rest of the world.

The results of the many conferences, upon which hang the possibilities of restoring the world market and our own trade to their normal conditions of activity, will not become evident for some time to come. In the meanwhile, with renewed confidence in ourselves, our country and our destiny, we should face the future in an undaunted spirit, resolved to profit by the experience through which we have come, and with a faith that is justified by past experiences.

The old year has become history. The new year is a challenge to our faith. On that sure foundation we must carry on, restoring our morale, re-building our fortunes, and assisting loyally in such plans as will bring peace and plenty in place of strife and poverty. Thus, and thus only, we may rest assured that we shall ultimately be the better for the testing time through which we have come.

Address of the General Manager, Mr. J. A. McLeod

It is an unique honour which devolves upon me to-day, inasmuch as I am privileged to present to our Shareholders the one hundredth annual Balance Sheet of the Bank. While the centennial anniversary of the Bank's founding will not be celebrated until August next, the report now presented is actually the one hundredth laid before the Shareholders, for the first balance sheet was published before the Bank had completed its first year in business, namely, at the end of the calendar year in 1832. I shall not make more detailed reference to the centenary at this time, for suitable steps will be taken by the Directors in August to commemorate the occasion.

This gathering is also unique in that it is the first annual general meeting of Shareholders to be held in our beautiful new Head Office building.

Difficult Year for Banks. The past year was a most difficult one for the banks, not only in Canada, but throughout the world; and it is with some satisfaction, therefore, that we are able to place before you a statement showing earnings well maintained, and the Bank in a strong position. Our profits for the year, after providing for bad debts and making appropriations for possible losses in doubtful loans and depreciation in other assets, amounted to $2,579,802.29, as compared with $2,535,643.52 in the previous year. This, on the face of it, is an increase of $44,158.77; but owing to the fact that throughout 1931 we had the use of our full capital of $12,000,000 and reserve fund of $24,000,000, as against an average capital of $11,476,295 and reserve of $22,244,729 in 1930, due to the new issue of shares made in that year, our earnings relatively are reduced. In 1930 we earned at the rate of 7.21 per cent. on our average capital, reserve and undivided profits. Last year we earned 7.06 per cent.

At the beginning of the year we had a balance of $534,830.98 in Profit and Loss Account which, with the profits of $2,579,802.29 for the year, made available a total of $3,114,633.27. From this we have paid the usual dividend of 16 per cent., the Dominion Government tax on circulation amounting to $120,000, have contributed $115,000 to the Officers' Pension Fund, and have written $400,000 from our Bank Premises Account, leaving a balance of $559,633.27 to carry forward into the next year.

The Statement of Liabilities and Assets shows our cash position practically unchanged, at 10.76 per cent. of liabilities to the public. Quick assets are 54.8 per cent. of liabilities, as compared with 58.7 per cent. in the previous year.

Increase in Deposits. Our total deposits now stand at $203,446,959, which is an increase of $3,404,703 for the year. The increase is about evenly divided between the interest-bearing or savings accounts, and the non-interest-bearing or current accounts.

Notes in circulation, at $12,702,832, are $1,264,514 lower than in 1930. This is due to some extent to the fall in commodity prices during the year, and also to the lessened volume of the Dominion's trade. The same explanation accounts for the reduction in the total of Letters of Credit outstanding, from $5,455,771 to $4,606,871.

Investments at Market Value. On the assets side of our Statement, the changes are somewhat larger. The deposit in the Central Gold Reserve is reduced from $3,500,000 to $2,000,000. Investments which have been written down to market values at December 31st stand at $63,182,426 as compared with $48,752,621 in the previous year. The increase is all represented by larger holdings of Dominion, Provincial and Municipal securities. Our railway and other bonds were actually reduced by $2,349,949 during the year. Call loans in Canada show a reduction of $17,498,408, and those abroad $2,628,405. Current loans, on the other hand, show an increase of $7,758,161 in Canada, but a reduction of $1,528,134 elsewhere. The increase in our current loans in Canada is due mostly to larger requirements of our Municipal accounts and of our customers in the grain trade.

Our Bank Premises Account at $8,293,954 is $429,220 higher. This is explained principally by the completion of our Halifax building and the new addition to our Winnipeg premises.

Empire Realty Company. A new heading will be noted in the Statement, namely, "Shares of and Loans to Controlled Companies," which stands at $2,696,391. This represents our investment in and loans to the Empire Realty Company Limited, a corporation which we considered it advisable to organize to hold the property on which the Bank's new building will be erected in Toronto at such time as the Directors of the Bank decide to do so. All the capital stock of the Company is owned by the Bank and a statement of its affairs, certified by the Bank's auditors, is attached to this report.

The Bank's total assets stand at $262,496,455 as compared with $263,115,661 in 1930.

The Bank may thus claim to have fared relatively well in the conditions of 1931, for the past twelve months have indeed been a difficult and trying time. It is true that the spring witnessed a measure of recovery, both here and in the United States, but hopes based upon this were doomed to be disappointed.

Unfavourable Developments. In the second half of the year, two most unfavourable developments occurred, which were destined to have a profound influence upon the whole world: I refer to the collapse of credit in Germany and the departure of Britain from the gold standard. In the former country, a heavy burden of reparations had been successfully carried for some years. The Government had collected the money from the German railroads and taxpayers, and, through long term loans in foreign markets, had been able to remit the necessary sums abroad. But, at the same time, Germany was financing her own business operations with money privately borrowed, on short term, in the creditor countries, and, in June, following banking troubles in Austria, fears developed in the minds of some of Germany's creditors resulting in heavy withdrawals of these short term funds. This, if permitted to continue, would assuredly have produced a collapse of her economic structure, with incalculable consequences for the rest of the world. But measures were promptly taken in London, Basle and elsewhere, which eventuated in the so-called "standstill agreement," and provided a breathing-space for Germany.

These measures, however, only transferred the strain from Berlin to London, and since London normally holds a very large part of the floating bank balances of the rest of the world—for London is traditionally the safest of repositories—she became almost as vulnerable, in the event of continued panic elsewhere, as Berlin had been some weeks before.

As everyone remembers, August and September were characterized by heavy withdrawals from London which placed an unbearable strain on Lombard Street. Great credits placed at the disposal of London, without hesitation, by New York and Paris, were not effective in stemming the tide of these withdrawals. The position of the pound sterling was gravely jeopardized and, on September 21st, the gold standard was, perforce, abandoned by the British Government. This decision was a signal for its immediate abandonment by a dozen other countries.

The disposition of all owners of foreign balances was now to secure gold wherever it could be had, but the sole source from which gold could actually be obtained in large quantities, after September 21st, was New York. One of the most amazing events in recent financial history was the withdrawal from New York, in the six weeks following that date, of an amount of gold about equal to the whole of the gold reserve of the Bank of England before the panic began.

These conditions, persisting during June, July, August, September and October, effectively destroyed the prospect of immediate trade revival, and it is only within the last few weeks that more tranquil conditions have prevailed.

Soundness of Canadian Banking System. Our own banks have naturally felt the repercussions of this crisis, but they have met

the new conditions successfully. We Canadians have always believed that our own system—rooted as it is in the Scottish tradition, and subsequently developed to meet the peculiar needs of the Dominion—has been a sound one. Recent experience has strengthened this belief. Looking back over the past two years (when, in many countries, there have been serious banking failures, whereas, in Canada, not only has there been a complete absence of failures but the strength of the banks has never seriously been called in question) I think we may claim, without immodesty, that the goodness of our own banking system, at least in its main outline, has been vindicated. An organization of credit resources, which places behind every branch in every part of the country the full strength of a great banking institution, is the best preventive of local panics and the best safeguard against local epidemics of hoarding such as have occurred elsewhere.

No banker would be disposed to claim that improvements in detail are not possible. Such improvements have been made in the past and will doubtless be made in the future. Nevertheless, the strength with which the Canadian banks have withstood the shocks of this depression surely vindicates the main principle upon which their organization rests.

Not the least of our present difficulties is due to the manner in which large amounts of new securities were created and placed on the market in our period of prosperity. A large proportion of these securities were issued by various of our local governments and, because they could be placed with comparative ease, there is no doubt that insufficient attention was sometimes paid to the question whether the expenditure of the funds, so easily borrowed from the public, was really necessary.

As a result, the burden of debt to be borne to-day by the taxpayers who support these local governments is unnecessarily heavy; yet, present expenditures and commitments for the future are all too slowly being brought under control. Because recognition of the need for public economy has been reluctant and tardy, the necessity for new financing is still present, and imprudent borrowing in the past has made such new financing unnecessarily difficult at the present time.

Balancing of Budgets. In this connection I cannot urge too strongly that one of our most urgent necessities in Canada is a scrupulous balancing of all budgets, whether Federal, Provincial, or Municipal; and that this object is far better realised, whenever possible, by retrenchment in expenditures than by heavier taxation.

It is by the application of simple and time-honoured remedies that we shall best put ourselves in a position to take advantage of improved conditions for business when they appear. I need hardly say that there is no panacea to be found, or it would have been found long ago.

Nevertheless, in this as in previous depressions, old nostrums are loudly being advertised, and one by one the discarded monetary heresies which the world rejected on the basis of long experience in the nineteenth century are being resurrected.

For months past there has been a persistent agitation in favour of silver as an additional currency standard. This agitation should be discountenanced by everyone who realizes the importance of maintaining a sound monetary system as a basis for trade.

To place an artificial value upon silver would be very good for producers and holders of silver, just as it would be very good for the producers and holders of any other commercial product if an artificial value were placed upon it. But there is no special virtue in the white metal. Giving it an artificial value would do no more good to the world than giving an artificial value to any other commodity.

Silver Agitation. The statement that silver is the standard money of half the human race and that half the human race has been impoverished by the fall in price of silver, is not in accord with the facts. There are to-day four silver standard countries: China, Afghanistan, Abyssinia, Eritrea. Between them, they do less than three per cent. of the world's international trade.

It is, of course, true that, if we coined all the silver that is available or held it in the form of a bullion reserve against a new note issue, we should increase the amount of money in circulation. But our principal need at present is not for more currency. To no small extent, as every one knows, our present troubles are connected with the maldistribution of gold in the world. So large a proportion of the world's gold is now centered in France and the United States that an embarrassing situation has arisen for other countries. This maldistribution of gold is not the result of chance; it has occurred inevitably and for two principal reasons. Firstly, because France and the United States are creditor countries on a very large scale, and secondly, because they have been unwilling to take payment except in the yellow metal on which their monetary systems are based. If silver were to be made, together with gold, a standard money metal, would the situation be changed with regard to France and the United States? Everyone knows that the remonetization of silver would, in itself, do nothing to change it. Instead of a concentration of one money metal—gold—in the vaults of these two countries, we should, under a bimetallic system, witness a steady stream of gold and silver to them with a consequent embarrassment of the debtor countries exactly the same as at present.

In order to strike at the root of this problem we need not to find a new monetary standard, but so to reorganize world trade and world finance as to relieve the debtor countries from this constant drain of specie which would be just as harmful to them if it involved a concentration of two metals as it is at present when it involves a concentration of only one.

The silver agitation serves at present merely to distract us from the real problems which are calling for solution.

If governments cannot solve these problems by legislating silver into money, neither can the banks of any country do what is often demanded of them, namely, restore business activity by policies of credit inflation. For years past, there has been a great deal of purely theoretical discussion as to whether banks, by taking appropriate measures, can control the price level at which their customers shall do business. To-day, the discussion is no longer theoretical, for we have a classic instance in the United States of the impossibility of doing any such thing.

For eighteen months after the depression began—indeed, until the grave crisis of last summer—conditions of easy money prevailed in the United States. It is doubtful whether, at any time in the past, funds have been available for so long, in quantities as great, and at such low rates. Nevertheless, and despite this condition, business has become increasingly less active, and, with the absence of demand in the markets, the prices of commodities have steadily sagged downwards until, to-day, on an average, they are about 30 per cent. below those prevailing in 1929.

Whatever may ultimately prove to be possible as the result of concerted international action along these lines by the great Central Banks of the world acting in concert, there is no question but that the banking systems of the great western nations are individually powerless to bring about the desired result through the manipulation of banking credit.

And, in the meanwhile, there are political disagreements to be settled—disagreements regarding reparations, disagreements regarding inter-allied debt, disagreements regarding the use of armed force in disturbed areas, disagreements over armaments themselves—in which national antagonisms, some of them old and bitter, find expression. Such disagreements between countries effectively prevent the great Central Banks from launching a concerted policy.

Of these disharmonies, and of the means of dealing with them, Mr. Moore, in his observations as President of the Bank, has already spoken to-day.

Outlook Obscure. The outlook for the coming year is obscure. It is impossible, at this moment, to say what will be the consequences of the creditor nations' failure to deal now with the present financial problems of Germany.

When a business burdened with a heavy load of debt is embarrassed financially, the creditors of that business are, as a rule, well advised to face the facts and all their implications at once. Refusal to do so will almost inevitably result in unnecessary loss and prolonged difficulty for all concerned.

The same principle holds with regard to creditor and debtor nations as with regard to private creditors and debtors. They must

act without delay or be prepared to face unnecessary losses and protracted confusion. In common with all our neighbours who have an interest in the world market we, in Canada, must suffer and continue to suffer losses as a result of delay.

Considering the difficulties to be faced, Canadian business is making a strong showing; the spirit of our people is high; they are disposed to take long views; they have not lost confidence in Canada. Without impatience or misgiving as to the final outcome, they wait for the decisive agreements which, by restoring conditions in the world market, will enable us here to resume our normal activity. It is our hope and the hope of the world that 1932 will prove a year of reconciliation.

My remarks would not be complete without an acknowledgment of the devoted and whole-hearted assistance that I received from the officers and staff of the Bank during the year. The year was not an easy one; some difficult and trying problems had to be dealt with, and it gives me pleasure to testify to the careful and competent attention that was given in all cases to the Bank's interests by the entire staff.

The Directors' Report

Your Directors beg to submit herewith the One Hundredth Annual Report of the Bank covering its operations for the year ending December 31st, 1931, with a statement showing the Assets and Liabilities at that date.

The net profits for the year, after making full provision for all bad and doubtful debts, amounted to	$ 2,579,802.29
To which is added the balance brought forward from last year	534,830.98
Making the total available for distribution	$ 3,114,633.27

This has been appropriated as follows:

Dividends at 16% per annum	$1,920,000.00
Dominion Government Tax on Circulation ..	120,000.00
Contribution to Officers' Pension Fund	115,000.00
Written off Bank Premises Account	400,000.00
Balance to be carried forward	559,633.27
	$3,114,633.27

The assets of the Bank have been carefully and conservatively valued, and the correctness of the statement is certified by the auditors appointed by you. During the year the Branches have been inspected by experienced officers of the Bank specially appointed for that purpose.

There were 336 Branches in operation at the beginning of the year and 6 were closed during the year so that there are now 330 branches of the Bank in operation, of which 291 are in Canada, 12 in Newfoundland, 23 in the West Indies, 3 in the United States and one in London, England. There are also 18 Sub-branches of the Bank.

It is with deep regret that the Directors announce the death during the year of their colleague, the Honourable Nathaniel Curry, who was elected a Director of the Bank on January 6th, 1910.

Your Directors wish once more to record their appreciation of the services of the officers of the Bank during the year.

On behalf of the Board,

S. J. MOORE,
President.

Halifax, N.S., January 27th, 1932.

GENERAL STATEMENT

31st DECEMBER, 1931

LIABILITIES

Capital Stock paid in	$ 12,000,000.00	
Reserve Fund	24,000,000.00	
Balance of Profits, as per Profit and Loss Account	559,633.27	
Dividends declared and unpaid	482,204.00	
		$ 37,041,837.27
Notes of the Bank in circulation	$ 12,702,832.75	
Deposits not bearing interest	$ 34,975,949.04	
Deposits bearing interest, including interest accrued to date	168,471,010.62	
	203,446,959.66	
	$216,149,792.41	
Balances due to other Banks in Canada	2,313,789.44	
Balances due to Banks and Banking Correspondents in the United Kingdom and foreign countries	1,987,647.80	
Bills Payable	187,405.43	
		220,638,635.08
Letters of Credit outstanding		4,606,871.69
Other Liabilities not included in the foregoing		209,111.03
		$262,496,455.07

ASSETS

Current Coin	$ 9,245,968.87	
Dominion Notes	13,536,015.75	
United States and other foreign currencies	1,479,051.92	
Notes of other Banks	913,157.96	
Cheques on other Banks	8,857,999.70	
Balances due by Banks and Banking Correspondents elsewhere than in Canada	6,408,657.12	
	$ 40,440,851.32	
Deposit in the Central Gold Reserves	2,000,000.00	
Dominion and Provincial Government securities, not exceeding market value	37,233,330.87	
Canadian municipal securities and British, Foreign and Colonial public securities other than Canadian, not exceeding market value	16,169,933.29	
Railway and other bonds, debentures and stocks, not exceeding market value	9,779,162.75	
Call and short (not exceeding thirty days) loans in Canada on stocks, debentures and bonds and other securities of a sufficient marketable value to cover	13,314,708.97	
Call and short (not exceeding thirty days) loans elsewhere than in Canada on stocks, debentures and bonds and other securities of a sufficient marketable value to cover	4,669,654.78	
		$123,607,641.98
Other current loans and discounts in Canada (less rebate of interest) after making full provision for all bad and doubtful debts	$107,513,948.83	
Other current loans and discounts elsewhere than in Canada (less rebate of interest) after making full provision for all bad and doubtful debts	14,586,191.95	
Liabilities of Customers under Letters of Credit, as per contra	4,606,871.69	
Non-current loans, estimated loss provided for	410,024.53	
Bank Premises at not more than cost, less amounts written off	8,293,954.56	
Shares of and Loans to Controlled Companies	2,696,391.72	
Deposit with the Minister of Finance for the purposes of the circulation fund	566,102.33	
Other assets not included in the foregoing	215,327.48	
		138,888,813.09
		$262,496,455.07

S. J. MOORE, *President.*

J. A. McLEOD, *General Manager.*

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the above General Statement of Liabilities and Assets as at December 31st, 1931, and compared it with the books at the Chief Office and with the certified returns from the Branches. The Bank's investments and cash on hand at the Chief Office and at the Toronto and Montreal Branches were verified by us at the close of business on December 31st, 1931. We have obtained all the information and explanations that we have required, and in our opinion the transactions of the Bank which have come under our notice have been within the powers of the Bank.

We certify that in our opinion the above statement discloses the true condition of the Bank and is as shown by the books of the Bank.

Toronto, Canada, 15th January, 1932.

D. McK. McCLELLAND, F.C.A., *of Price, Waterhouse & Co.*
W. D. GLENDINNING, C.A., *of Riddell, Stead, Graham & Hutchison.*
} *Auditors.*

BOARD OF DIRECTORS

S. J. Moore, Esq., Toronto .....President
Hector McInnes, Esq., K.C., Halifax .....Vice-President
J. A. McLeod, Esq., Toronto .....Vice-President

W. W. White, Esq., M.D., Saint John
Hon. William D. Ross, Toronto
Hon. George Bryson, Fort Coulonge
John B. Fraser, Esq., Ottawa

Russell Blackburn, Esq., Ottawa
Alexander Maclaren, Esq., Buckingham
Hon. George Gordon, North Bay
F. P. Starr, Esq., Saint John

O. E. Smith, Esq., Halifax
Sidney T. Smith, Esq., Winnipeg
Hon. James C. Tory, Halifax
Leighton McCarthy, Esq., K.C., Toronto

W. M. Birks, Esq., Montreal
Hon. J. Fred Fraser, Halifax
Hon. F. B. McCurdy, P.C., Halifax
A. L. Ellsworth, Esq., Toronto

ASSURANCES IN FORCE, $3,051,077,066

ANNUAL STATEMENT

OF THE

SUN LIFE ASSURANCE COMPANY OF CANADA

FOR THE YEAR 1931*

Directors' Annual Report for the Year 1931

Your Directors present for your approval the Company's sixty-first Annual Report.

The trade reaction which began in 1929 developed into a major world-wide business depression in 1930 which has continued with increasing severity throughout the past year, reaching an acute stage in recent months. The great contraction in business has left no industry unaffected and has placed a severe strain upon even the most powerful financial institutions. It is a high tribute to the business of life assurance and to the fundamental soundness of the principles upon which it is based, that the companies have met, promptly and without embarrassment, every obligation imposed on them under the contracts into which they have entered. Their prestige has been enhanced and they have deserved the high measure of public confidence accorded to them.

In spite of the adverse conditions prevailing, your Company has made gratifying progress during the year.

New policies issued and paid for numbered 147,246 for a net amount of $527,939,214.57. This figure has been exceeded on only two occasions in the Company's history. Of the total, $54,516,075.00 was in respect of policies on the Group plan.

It is gratifying to report a substantial development in sales in the Group Annuities Department. This new form of service affords to employers a convenient and economical means of providing pensions for their employees.

A feature of the year has been that assurances in force have now passed the three billion dollar mark, a figure reached by very few companies in the whole world. The total actually outstanding at December 31, after deducting amounts reassured, was $3,051,077,-066.55, an increase over the previous year of $187,375,487.03. Making allowance for terminations by death and maturity, this gain would compare favourably with general experience in even normal

*NOTE.—Annual Meeting, Feb. 9, 1932. Preceding Annual Reports may be consulted in 1911—31 Volumes of *The Canadian Annual Review;* a History of the Sun Life will be found in *The Review, 1910* (Supplement).

times. For many years past the Company has been outstanding for the persistency of its business, and this record has been fully maintained. Having regard to the financial pressure under which many policyholders, in common with the public generally, are labouring, this provides impressive evidence of the high value placed by our policyholders on their contracts, and testifies a confidence in the Company of which we are deeply appreciative.

Policies in force now number 922,694, while in addition 240,910 certificates of assurance are held by employees under the Group plan.

Payments to policyholders and beneficiaries in respect of death claims, matured endowments, profits, etc., amounted to $93,235,849.-08. These payments exceed the total annual assurances issued by the Company nine years ago. Since organization the amounts paid to policyholders or their representatives total $594,185,418.86, a service of impressive social significance.

The mortality among our policyholders has been exceptionally favourable, showing a substantial reduction even against the highly favourable ratio of 1930.

The total income for the year was $197,140,162.59, an increase of $10,477,846.36. The excess of income over total disbursements for the year was $60,630,785.54.

The total assets have advanced to $624,804,455.09.

The rate of interest earned on the mean invested assets was 5.13 per cent.

The surplus over all liabilities and capital stock amounts to $16,345,515.31.

Profits paid or allotted to policyholders during the year have amounted to $26,026,124.89.

With sincere sorrow your Directors record the death of their deeply esteemed colleague, Charles Ernest Neill, who had served as a Director for five years. His outstanding business abilities and wide experience in financial matters were at all times placed unreservedly at the command of the Company, in whose affairs he took a deep and abiding interest. His removal at a comparatively early age is a severe loss to the Company and to his colleagues, who valued alike his high attainments and his personal attributes.

The Directors who retire by rotation are:

Representatives of the Shareholders: Mr. J. Redpath Dougall, Sir Herbert S. Holt, Mr. T. B. Macaulay, Hon. L. A. Taschereau, Hon. James C. Tory, Mr. Arthur B. Wood.

Representatives of the Policyholders: Hon. Raoul Dandurand, Mr. C. B. McNaught, Mr. John W. Ross.

H. WARREN K. HALE, *Secretary.*

T. B. MACAULAY, *President.*

DIRECTORS AND OFFICERS

(As at Dec. 1st, 1932)

T. B. MACAULAY, F.I.A., F.A.S., President

ARTHUR B. WOOD, F.I.A., F.A.S., Vice-President and Managing Director

ROBERT ADAIR
E. W. BEATTY
W. M. BIRKS
HON. RAOUL DANDURAND
J. REDPATH DOUGALL
SIR HERBERT S. HOLT
J. W. McCONNELL
ROSS H. McMASTER
C. B. McNAUGHT
CARL RIORDON
JOHN W. ROSS
HON. L. A. TASCHEREAU
HON. JAMES C. TORY
HON. LORNE C. WEBSTER

E. A. MACNUTT, Vice-President and Treasurer

C. S. V. BRANCH, Second Vice-President

H. WARREN K. HALE, Secretary

G. W. BOURKE, F.I.A., F.A.S., Actuary

Associate Actuaries:

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J. B. MABON, F.I.A., F.A.S.
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A NATIONAL BUSINESS ORGANIZATION

CANADIAN MANUFACTURERS' ASSOCIATION*

PROCEEDINGS OF

THE ANNUAL GENERAL MEETING OF 1932†

Address by the President, Mr. W. H. Miner

In opening this, the Sixty-First Annual General Meeting of the Canadian Manufacturers' Association, it may help us in dealing with our present perplexities to reflect gratefully on the history of Canada. Reflection will enable us to appreciate the evolution of the various departments of our civilization, in the arts, in science, in education, in communication, and in material accomplishment, not only as depicted in voluminous statistics but also by our own observation and experience.

You are familiar with the gradual international movement during the last fourteen years, toward some solution of the financial problem, the various conferences which scaled down reparations and international debts, the conferences which restricted or tried to restrict armament, and the attempts which have from time to time been made, under the leadership of Great Britain, to restore the economic equilibrium of Europe, which is still the central support of the world economic structure.

You are familiar, too, with the fact that the strain proved too great even for Britain's economic and financial strength, with the result that last September she was forced to discontinue payments in gold, a system of which she had for so long been the chief guardian and champion. The uncertainty and dislocation created by this event has been aggravated by the frequent revisions of international contracts and the doubts created thereby as to the sanctity of international undertakings generally. Nor has the bad example of Governments in this respect been without its effect upon individuals and corporations.

Governments are supposed to set an example to individuals and corporations in maintaining the sanctity of contracts. If a government made a bargain to pay last year and repudiates or modifies the obligation this year, the effect upon its credit is serious and the lowering of its credit disturbs international credit. Uncertainties and doubts about capacity and willingness to pay have had depressing effects on all international credit and have increased the reluctance

*NOTE.—For Annual Reports and Addresses of years 1922—1931 see Supplement to *The Canadian Annual Review*, Vols. *1922—1930-31*.

†NOTE.—Held in City of Ottawa, June 6, 7 and 8, 1932.

of people to enter into contracts unless for cash or commodities. Modern business has become so extensive and complicated that it is impossible to conduct it satisfactorily on a cash or barter system and, unless the volume of international business is to be immensely and disastrously curtailed, it must be conducted on some basis of credit, which means simply confidence and reliance on other people to carry out their obligations to the best of their ability.

Public opinion indicates a growing feeling that, while the burden of international indebtedness, especially with regard to certain countries must be reduced, such reductions must be quickly determined and legally entered into and carried out. In other words, all countries (and by inference all individuals and corporations) must realize that they must pay their recognized and contractual obligations up to the utmost limit of their capacity to do so and must not be permitted to withhold payment in whole or in part, simply because they wish to spend the money for other things. It is, therefore, of the utmost importance that whatever revision of reparations and debts is finally decided, it should be adequate, permanent and negotiated on the understanding that the contracting nations will honour their promises to pay. When this is settled, we venture to say that money will circulate more freely, currencies will become relatively stable, unreasonable economic handicaps will be modified, and international trade will resume a more normal flow.

The British Empire Economic Conference, which will open in Ottawa, on July 21st, will be a memorable event in the history of Canada. Representatives will assemble here from the principal British countries. Many important measures for strengthening the Empire and increasing its material prosperity will be discussed, and much will be accomplished. Owing to some extravagant expressions of opinion, which have appeared in print, it seems necessary to say that we should not expect miracles. Many international conferences have been held since the war and each hoped to solve the questions with which it dealt, but even the most successful did not realize all expectations.

As Canadians, we must remember that other British countries have problems just as difficult and, in some cases, more difficult, than our own. Great Britain, for example, cannot forget the fact that between fifty-five and sixty per cent. of her external trade is with foreign countries and from forty to forty-five per cent. with other British countries.

Attention is directed to the following policy approved at the Annual General Meeting of the Association in 1930:

"In all negotiations concerning British Empire Trade, the interest of Canadian producers, whether industrial or agricultural, should be properly safeguarded, and, when this is assured, every practical plan to increase trade among British countries should be supported, especially in view of the fact that many foreign countries have been

restricting their purchases of Canadian products, by means of increased tariffs and import regulations. That there are great possibilities for extension of Empire Trade is beyond doubt. The Empire includes a fifth of the world's population and a quarter of the world's area; the wants of so great a multitude, constantly growing as the standards of living rise, offer opportunities to Canadian producers to increase their sales. The Empire is a great storehouse of natural wealth, much of it being only partly developed."

In spite of all the difficulties which are bound to arise in a problem of such magnitude, we believe that much progress can be made at the coming conference and at similar conferences in the future. There has, perhaps, been an undue concentration of attention on the question of customs tariffs. Tariffs are important and will be thoroughly considered at the conference, but we should remember that Empire trade can be assisted also by improving transportation facilities, by the efforts of Government departments, consuls, trade commissioners, and other similar officials, through trade exhibitions, marketing plans and advertising campaigns, by improving cable, telegraph, telephone and wireless communications, by expert study of fields of production and distribution, by exchange of information in regard to the origin, nature, and uses of products, and in many other ways.

Owing to necessity, Governments extended their spheres of direction and control during the war, but, unfortunately they have not divested themselves of many of these temporary powers. Too much government control and ownership in fields which can be more efficiently and economically administered by private enterprise, added to such other developments as, intense political and economic nationalism, attempts to raise living standards of great populations in very short periods of time, and kindly but impractical efforts to adopt utopian plans of social improvement and relief, have multiplied public expenditures in a remarkable and unprecedented manner during the past decade, with the result that even the smallest countries have been obtaining great loans, pledging their credits and establishing national budgets out of all proportion to their ability to repay the loans or to maintain such annual expenditures from the funds available from taxpayers. As this situation revealed itself there has been a great decline in the value of the bonds of such Governments and a proportionate restriction of their credits.

It is encouraging to observe that the Dominion, Provincial and Municipal Governments, during the past year, have been restricting their expenditures and have been endeavouring to balance their budgets, and all citizens can assist by refraining from asking for things which will add to the public debts, and by supporting reasonable proposals for further economies.

The problems of employment are testing our methods and capacities. A civilized country such as this, does not wish to have, and,

in fact, will not countenance conditions which deny large numbers of its citizens even the elemental necessities. The united efforts of religious and charitable organizations, governments, taxpayers, and individuals during three successive bad years have at least held society together, and food, shelter, clothes and fuel, together with some recreation, have been provided generally for all those temporarily in need.

As for the advocates of revolution, bloodshed and violence, they have gained very few followers and will scarcely acquire more in Canada where the great majority are proprietors or lessees of their farms, houses, shops, and other forms of wealth, and, consequently, as capitalists, as well as for better reasons, are on the side of law and order. Moreover the growing conviction that the various revolutionary, communistic, and socialistic governments and parties appear to have made things worse instead of better in the countries where they made their strange experiments and in the world at large, leads most Canadians to conclude that our best course is to keep on our own way and instead of scrapping what we have for something new and untried, to build and improve gradually on the foundations already laid.

It is certain that, had it not been for the measures provided by the Dominion Government, in the form of increased customs tariffs and proper and accurate customs appraisals, and the strict enforcement of dumping regulations, the number of unemployed in Canada would have been much greater during the past two winters than it was. Goods from the United States, Europe, and Asia, would have been poured into this market in a great flood, without consideration of production costs. Surely the past three years have exploded the fallacy that low prices mean prosperity, and that reckless selling below cost will restore prosperity. When have prices been so low, when have bargain and bankrupt sales been so numerous, and when has unemployment been so great?

Until world affairs improve, we must continue to deal with conditions of trade and employment as we meet them from day to day and plan in advance as far as possible; but at the first opportunity, Canada needs a healthy swing away from Governmental paternalism towards the old-fashioned virtues of self-reliance and the encouragement of the individual to find a way out of his own difficulties, to pay his own way and to maintain himself. Support is needed for all measures which will increase the opportunities for employment. Nearly all our material troubles in Canada would be solved in a few months if the products of agriculture, industry, the mines, the fisheries and forests could be sold in good volume, at prices which would yield fair returns to labour and invested capital, and if, consequently, work could be provided for those who have none. The free provision of food and lodging, relief grants, and similar expedients would disappear, and thousands of people who are now galled by the unpleas-

ant experience of accepting help would be again independent and much happier than they are at present.

In the meantime, what can we do? In the first place, Canada should give all the support in her power to any international effort to restore international finance and credit. In the second place, Canada should endeavour to attain the highest possible degree of success for the British Empire Economic Conference, and, in this connection, the Association has given and will continue to give the utmost assistance at its command. In the third place, all Canadians should concentrate their best thought and effort, in the task of improving conditions, providing employment and relieving distress within our own national borders; and inspired by the example of Great Britain and the memory of their own past achievements, retain the steadiness that our people have shown in previous periods of stress, grapple with the problems of each succeeding day to the best of their ability, and anticipate hopefully and courageously the resumption of our national progress and well being.

HONORARY OFFICERS OF C.M.A., 1932-33

President	W. C. Coulter	Toronto, Ontario
1st Vice-President	George Henderson	Montreal, Quebec
2nd Vice-President	L. L. Anthes	Toronto, Ontario
Treasurer	T. F. Monypenny	Toronto, Ontario

Chairmen of Committees: Tariff, J. O. Thorn. Toronto; Transportation, W. S. Campbell, Toronto; Insurance, H. M. Jaquays, Montreal; Membership, J. H. Fortier, Quebec; Legislation, W. S. Morden, K.C., Toronto; Industrial Relations, A. R. Goldie, Galt; Education, N. C. Polson, Jr., Montreal; Commercial Intelligence, W. R. Drynan, Hamilton; Publishing, A. Ross Robertson, Toronto.

CHAIRMEN OF DIVISIONS

British Columbia	F. C. Brown, Vancouver
Prairie	John Burns, Calgary
Ontario	C. A. Moore, Stratford
Quebec	James H. Webb, Montreal
Maritime	R. J. R. Nelson, Halifax

CANADIAN MANUFACTURERS' ASSOCIATION

HEAD OFFICE, TORONTO

General Manager	J. E. Walsh
General Secretary	J. T. Stirrett.

NORANDA:

ONE OF CANADA'S GREATEST MINES

AMONG THE LARGEST GOLD AND COPPER PRODUCERS

Ore Reserves of $90,000,000 in Gold and Over 1,000,000,000 Pounds of Copper—Most Rapid Development in Production and Dividend Payments Among Canadian Mining Developments—Large Factor in the Providing of Employment—Operations Well Maintained Throughout the Year 1932

Plant **Expenditures** to date, **$10,000,000.**

Total **Production** to date, **Gold, $17,000,000; Copper, 278,000,000** pounds.

Giving constant employment to over **1,400** men with annual payroll of **$2,600,000.**

Directors and Officers: James Y. Murdoch, K.C., Toronto, President; S. C. Thomson, New York, Vice-President; Harry G. Haskell, Wilmington, Del.; N. A. Timmins, Montreal; A. L. Ellsworth, Toronto; F. M. Connell, Toronto; H. W. Chadbourne, New York, and Irving W. Bonbright, New York, Directors. T. N. Hay, Toronto, is Secretary-Treasurer.

In the proud history of the mining industry of Canada probably no individual development has reached such substantial proportions in so brief a period of time as that of Noranda Mines Limited—the outstanding producer in the Province of Quebec. Noranda has not only the distinction of being one of two leading copper mines of Canada, but in the past couple of years it has increased its output of gold to a point where in 1931 it stood fourth in the list and for 1932 promises to rise to third among the gold-producing mines of Canada, second only to Lake Shore and Hollinger, mines that may be termed entirely gold producers whereas Noranda combines copper and gold. Noranda Mines thus has played a large part in securing and maintaining for Canada the eminent position of being the second largest gold producing country in the world, next only to South Africa, replacing in 1931 the United States which until that time had held second place among the countries of the world.

Gold Output Up to $8,000,000. It is only ten years since Noranda Mines was incorporated and just five years since (late in December, 1927) it started production, and yet in the year 1931—only 4 years later—it produced over 62,000,000 pounds of fine copper and over $5,000,000 in gold. During 1932 estimates of gold production run close to $8,000,000, with copper output somewhat adjusted to the scaling down among world producers to meet prevailing conditions of surplus stocks and a diminished demand.

Dividends of $8,000,000. Not only was Noranda Mines in 1932 able to continue operations on a large scale both in gold and copper production, and thus to provide a steady and substantial employment of labour, but investors in its securities were given a considerable return, when a large number of corporations had been forced to discontinue dividends. Noranda was able to declare one dividend for the first half of the year, amounting to 50 cents a share, and an additional 60 cents a share in the second half, or $1.10 in all, both being in United States funds which meant considerably more to Canadian shareholders. Initial dividends on the stock of Noranda Mines had been begun in 1930 with disbursements of $5,600,000. In 1931 50 cents a share was paid, a total of $1,119,886. For 1932 total disbursements for dividends will amount to $2,463,749—making a total of $8,063,179 paid out to shareholders in the three years.

Aid to Employment. The services that Noranda Mines has rendered to employment of labour at a time when this element was so important to the national welfare is indicated by the fact that in 1931 it disbursed some $2,400,000 in wages; paid out $900,000 for transportation charges (mainly to Canadian railways) and $1,750,000 for general expansion. Early in the Spring of 1932 Noranda Mines was providing employment to between 1,300 and 1,400 men and this number it has continued to employ practically throughout all the balance of the year 1932. These items do not include the millions of dollars paid out in connection with development of subsidiary operations and in wages to employees concerned in these operations, such as Canadian Copper Refiners and the wire and cable manufacturing plant that adjoins the refinery at Montreal East.

Complete Process in Handling Copper. The operations of Noranda Mines have shown a steady and an accelerated progress during the decade of its existence to a point where the ore is not only treated in the mines and smelted, but in place of being sent out of the country to be refined, as was necessary in the earlier stages, it is treated in the copper refinery at Montreal East. This process does not end the operations in Canada, for Noranda Mines has co-operated with Canada Wire & Cable Company in the financing of a plant adjoining the refinery where copper wire and cable is produced. This second plant produces goods that previously had to be imported into Canada and itself carries on a large exporting business. Hence Noranda Mines has been developed not only in connection

with mining operations but in the treatment of blister copper to a stage where, in addition to producing refined copper it can, in turn, put the product through the process of fabrication, thus enlarging to the utmost, the advantage to Canada that could accrue from the development of one of its great natural resources.

Noranda Mines Limited was incorporated to succeed a private syndicate which had been formed in New York for the purpose of prospecting and exploring the mineral wealth of Canada and developing and financing mines. Operations by the syndicate had commenced in the Kirkland Lake District and had extended eastward until they reached the Rouyn District in Northern Quebec, where the famous Horne claims were optioned. This option was finally taken up by the Company in 1925. These claims and other adjoining properties composed the holdings of Horne Copper Corporation, Noranda's chief operating subsidiary.

Construction of Smelter and Concentrator. The Horne property consists of 600 acres in Rouyn Township on the shore of Lake Osisko. This property was staked by Ed. Horne of New Liskeard in the Summer of 1920 and was taken under option by the Thomson-Chadbourne Syndicate of New York in the Autumn of 1922. Little serious development work was undertaken by Noranda Mines as the successor to the Syndicate until late in 1923, when a diamond drilling campaign was begun. Shaft sinking was undertaken in the following year, 1924, and since that time development work has been extremely rapid. Construction work on a smelter was begun in June, 1926, and continued amidst the greatest difficulties, for railway connections were not accomplished until October, 1926. In December, 1927, the first 1,000-ton unit of a customs smelter was blown in. This was followed by a second unit late in November, 1929. Each of these units has been found capable of treating from 1,000 to 1,250 tons of ore daily, a total of from 2,000 to 2,500 tons. In October, 1928, a 500-ton concentrator went into operation and in 1930 the capacity was increased to 1,000 tons. In July, 1932, erection was begun of a 1,000-ton addition to the concentrator with the prospects of this being completed in January, 1933, to bring the capacity of the concentrator to 2,000 tons per day. The properties are now served both by the Canadian National Railways and Nipissing Central Railways, while power is supplied by Northern Canada Power Corporation over a transmission line from the Quinze plant some 56 miles distant.

Subsidiary Holdings. In addition to the Horne Mine, Noranda owns 1,659,200 shares or nearly 83 per cent. interest in Waite-Ackerman-Montgomery Mines; 981,850 shares of Aldermac Mines, Ltd.; 1,200 acres of claims adjoining the Horne property; 35,815 shares out of 49,000 shares authorized of Adsit Mining Corporation, adjoining Horne Mine; 90 per cent. of outstanding shares of Quebec Smelters, Ltd., adjoining the Horne; 297,967 shares of Newbec Mines, Ltd.; 91,605 shares of Powell-Rouyn Gold Mines, Ltd.; 55 per cent.

of Anglo-Porcupine Gold Mines, Ltd.; 15 per cent. Eastward Mines, Ltd., Gauthier Twp., Porcupine, Ont.; share interests in Keeweenaw Silver Mines, Cobalt, Ont.; Continental Kirkland Mines, Ltd., Osisko Lake Mines, Ltd., and 90-acre tract near Haileybury, Ont., containing a large quantity of limestone for flux. In 1931 and 1932 the Company purchased some bonds of Amulet Mines, Limited.

Development of Mine. The mining property has been developed by four shafts, known as Nos. 1, 2, 3 and 4. In 1931, No. 3 shaft, which is of three-compartment size, was deepened from 1,534 feet to 2,527 feet. No. 4 shaft, which is of six-compartment size, had been deepened to 1,900 feet early in 1932 and will be carried down to 2,475 feet and connected with No. 3 shaft. It is planned to sink No. 4 shaft eventually to a depth of 4,200 feet. While more than 15 ore bodies have been discovered to date, all underground development has been in the neighborhood of Nos. 3 and 4 shaft areas. A good deal of development work has been carried out on the Chadbourne claim during the past two years.

Ore Reserves $80,000,000 of Gold; 1,100,000,000 Pounds of Copper. Year by year increasing quantities of ore reserves have been indicated by the extensive development work. The estimated metal content of these reserves above the 1,975-foot level increased from about $11,000,000 of gold content in 1928 to over $20,000,000 in 1929, to $27,000,000 in 1930, to $39,000,000 in 1931 and have been further increased during the year 1932. Copper content increased from 452,000,000 pounds in the 1928 estimate to 640,000,000 pounds by the end of 1929 and to 710,000,000 by the end of 1931, with a further increase during 1932.

December 31st	1931	1930	1929	1928
Gold content	$39,890,600	$27,671,970	$20,849,880	$11,396,960
Copper content, lbs.	710,944,000	649,494,000	640,715,600	452,781,400

Additional ore reported at the annual meeting in 1932 indicated a content of nearly $40,000,000 in gold and 391,000,000 pounds of copper, giving total ore reserves to a depth of 2,475 feet with a content of approximately $80,000,000 in gold and 1,101,000,000 pounds of copper.

Increasing Production. In 1927 only 10,740 tons of ore and concentrate was smelted. This increased to nearly 272,000 for 1928 and was further increased to 428,000 in 1929, 734,000 tons in 1930, and 765,000 in 1931. In 1927 there was 552,000 tons of fine copper produced, which increased to 33,000,000 pounds in 1928, to 51,000,000 pounds in 1929 and to 75,509,000 in 1930. This was the peak to date and in 1931 there was a reduction to 62,859,000 pounds on account of a policy of curtailment which was carried on in conjunction with a number of other leading world producers of copper. The output of gold, however, has increased steadily year by year, from 767 ounces in 1927 to nearly 53,000 in 1928, to 68,000 the

following year, to 117,000 for 1930, to 253,000 for 1931 and to a much larger total for 1932. Output of gold in 1931 was $5,337,000 in value with an increase of at least 50 per cent. indicated for the entire year 1932. The following table shows the amount of material treated in the smelter and the production each year since the commencement of operations:

Year	Tons of ore and concentrate smelted	Fine copper prod. (lbs.)	Gold produced Ozs.	Gold produced Value (a)	Silver produced Ozs.	Silver produced Value (b)
1931	765,544	62,859,355	253,363	$5,337,758	558,801	$167,909
1930	734,072	75,509,373	117,393	2,426,513	691,920	262,939
1929	428,221	51,223,115	68,732	1,420,690	334,279	177,168
1928	271,926	33,065,261	52,949	1,094,456	186,277	108,041
1927(c)	10,740	552,345	767	15,854	2,644	1,534

(a) Officially reported figure in 1931; at $20.67 an ounce in other years.
(b) Officially stated for 1931; in other years at average price of silver for the year as reported by the Ontario Dept. of Mines.
(c) Smelter commenced operation in December, 1927.

Copper Refinery. Early in 1929 arrangements were completed for the construction of a plant at Montreal East in which the blister copper produced at the smelter of Noranda might be refined instead of having to ship this outside of Canada for this purpose. Noranda Mines was associated in this enterprise with British Metals Corporation and Nichols Copper Company. The organization that was formed to erect the copper refinery is known as "Canadian Copper Refiners Limited," operating under a Dominion of Canada charter and with authorized capitalization of 20,000 shares of no par value. Financing was carried on through an issue of $2,500,000 first mortgage 6 per cent. bonds and additional capital supplied by the partners. The new plant went into operation in March, 1931, with a capacity of 75,000 tons of refined copper per annum. Commercial copper began reaching the market in May, 1931. In a statement issued later in the year the President, James Y. Murdoch, said: "The Refinery is operating to the entire satisfaction of the Board. Our precious metals produced at the Refinery to date have been shipped in the form of Dore bars practically in entirety to England but the new parting plant is now operating and in the course of a week or two the gold will be shipped to Ottawa and silver sold in the world markets." At the Annual Meeting held in 1932, Mr. Murdoch stated that the Company's refined copper was being marketed under "C.C.R." brand and was being favourably received in world markets. The refinery not only takes care of anodes shipped from the Horne Mine but does customs work for the Flin Flon Mine of Hudson Bay Mining & Smelting Company, Limited. The cost of the refinery was approximately $3,500,000. Noranda's interest in this is around 70 per cent. Noranda has an agreement with Canadian Copper Refiners, which assures the latter of sufficient revenue to provide for all operating expenses, bond interest and sinking fund. The production is marketed through British Metals Corporation, Limited, one of the world's outstanding copper selling organizations.

The Officers and Directors of Canadian Copper Refiners are as follows: James Y. Murdoch, K.C., Toronto, President; S. C. Thomson, N.Y., Vice-President; W. C. Bennett (Vice-President, Nichols Copper Co.), New York, Vice-President; N. A. Timmins, Montreal; F. M. Connell and A. L. Ellsworth, Toronto, representing Noranda Mines, and C. W. Nichols (President of Nichols Copper Co.), New York; Sir Cecil Budd (Chairman of the Board, British Metals Corporation), London, England; H. B. Van Sinderen (President, Tennant Sons and Co., Inc., American representatives of British Metals Corporation), New York. T. N. Hay, Toronto, is Secretary-Treasurer.

Wire and Cable Plant. Another development which was to carry on the handling of the product of the mine to a still further stage was organized in 1930, when Noranda Mines aided in the financing of the construction of a rod mill and wire-drawing plant of Canada Wire and Cable Company situated close to the Noranda refinery at Montreal East. This plant was completed in May, 1931, and the initial shipment of wire rods to Europe was made in June, 1931. This mill provides a market for a substantial proportion of the output of the refinery while so far as Canada Wire and Cable is concerned this was placed in a position to secure its refined copper requirements close at hand, thus eliminating heavy freight charges which previously had to be borne. It is stated that the copper wire now being drawn at the new plant of Canada Wire and Cable is as fine as can be produced, one product being so fine that one pound of copper is drawn into approximately nine and a half miles of wire, an evidence of the extreme purity of the product of the refinery of Noranda Mines. Immediately a radical change was effected in items of imports and exports: Canada is now more self-contained in the matter of refined copper and fabricated products, which previously were imported from the United States on a considerable scale.

Late in the year 1932 the President of Noranda Mines was one of a number of representatives of leading copper producers of the world negotiating for some agreement that might restrict the output of copper and gradually reduce the surplus stocks existing throughout the world. Noranda Mines, however, through the unique possession of gold as well as copper ore has been placed in an unusually favourable position as an operating mine. When producers of copper alone have been forced to curtail their operations down as low in some cases as 25 per cent. of capacity or even less, Noranda this year has been able to continue steadily increasing its output of gold by the peculiar form of occurrences of copper-gold ore, and at the same time restrict within reasonable limits its output of copper. In another respect, too, Noranda Mines stands in a position by itself among the mining properties of the world in reaching a position, as mentioned before, of the third largest gold producer in Canada, while moving up during 1932 to be as well the largest producer of copper in this country.

PRICE OF GASOLINE IN CANADA

One of the most interesting incidents among the proceedings of the House of Commons during the Third Session of the Seventeenth Parliament (1932) was the investigation into the price of gasoline in Canada. This was inaugurated as a result of the following Motion brought forward on Feb. 11 by Mr. T. F. Donnelly (Willow Bunch), and seconded by Mr. C. E. Bothwell (Swift Current): "That, in the opinion of this House, the price of gasoline to the Canadian consumer has for some time past been too high and that this matter should be referred to the Select Standing Committee on Banking and Commerce to investigate and report."

In stating that so far as the Government was concerned the Motion "will be adopted in the terms in which it has been prepared," the Prime Minister, Rt. Hon. R. B. Bennett, K.C., pointed out that although gasoline was produced in Canada, unfortunately, except for small quantities of crude naphtha found in the Turner Valley and very small quantities of crude petroleum found elsewhere, Canada was entirely dependent on imported raw material. He continued: "The great producing oil companies gave an undertaking at the time that the tariffs were changed in 1930, and by that undertaking they are bound. That, coupled with the provisions of the statute, sufficiently indicates the position of the Administration. But owing to the discussions that have taken place in the public Press, on public platforms and elsewhere, apparently the companies themselves have been seized of these agitations and discussions." The Prime Minister thereupon read letters that he had received from Imperial Oil Limited and other oil companies. The letter from Imperial Oil Limited was in part as follows:

"Due to chaotic conditions in the United States, the widespread evasion of gasoline taxes there and to uninformed criticism of the petroleum industry in Canada, an impression has been created that undue profits are being exacted by the industry from the Canadian public. We believe it to be in our own interest, as well as that of the Government, that the situation, in respect to gasoline prices, should be thoroughly ventilated. . . . The last public investigation, which was conducted at the instance of the Government of Ontario, but which was not limited in scope to the jurisdiction of that Province, . . . covered a period of five years, occupied months; every document required was produced and executives of all the companies concerned were examined under oath. . . . The finding was that in the years 1920 to 1924 inclusive, the earnings of these Canadian companies had averaged 8 per cent., and that in no year were they exorbitant. . . . Actually, the Canadian consumer is now enjoying lower prices for gasoline and other petroleum products than at any time during the period covered by the investigation referred to, and the industry is now working upon a narrower spread over raw material costs than then. . . . We wish to advise your Government that any inquiry which it may decide to conduct will be facilitated by us."

Following further discussion, the Motion, that the question be referred for investigation to the Select Standing Committee on Bank-

ing and Commerce, was agreed to on Feb. 12. The Committee, of which Mr. R. C. Matthews (East Centre, Toronto) was Chairman, took evidence on oath of twenty witnesses, including representatives of Canadian refiners and marketers of gasoline. As the charges had, to a great extent, arisen from the difference in gasoline prices in Canada and in the United States, the evidence given by Mr. Ross Campbell, General Counsel of the White Star Refinery Company, Detroit, Michigan, had an important bearing on the investigation. Mr. Campbell, in pointing out the demoralizing effect on the United States gasoline industry of the evasion of gasoline taxes, stated that a conservative estimate had been made that the total evasion was "in the neighbourhood of $60,000,000 a year" and that the procedure "has meant a reduction in retail price of not less than three cents and probably as high as five cents a gallon."

Examination of Accounts of Imperial Oil. Pursuant to authorization given by the House, the Committee engaged the firm of George A. Touche and Company, chartered accountants. The firm was instructed as follows: (1) "That the accounts of the Imperial Oil Limited be taken for the purpose of establishing the fundamental facts required by the Committee"; (2) "That a basis of establishing the ascertainment of costs be mutually agreed upon between the auditors and the officers of Imperial Oil Limited"; and (3) "For the purposes of the two preceding paragraphs, the investigation be specifically applied against the Sarnia and Halifax refineries of Imperial Oil." It was also provided that synonymous with the investigation by the Auditors into the cost and selling factors of Imperial Oil Limited they secure statements from other companies so as to render practicable a comparison of the relative costs and selling prices.

Conclusions of the Auditors. A summary of the conclusions set out in the Auditors' Report is as follows:

(1) that the Company's records relating to 1930 operating costs charged to gasoline showed no evidence of "cost loading" by reason of affiliations in the United States and South America, or because of unfavourable accounting practices; but rather, that the gasoline costs, if anything, were understated because of the Company's conservative policies in not loading into costs such matters as fire insurance premiums, depreciation rates, contingency reserve charges and inventory pricing;

(2) that the total costs for 1930 were free of charges for interest on capital invested, or such as might be related against funded debt or as a charge imposed by a parent company in the form of rental for use and operation of the refineries and marketing stations and equipment;

(3) that while the 1930 marketing costs charged to gasoline were high in relation to total costs, due to territorial and climatic condi-

tions, and extreme competition obtaining in the distribution and marketing of gasoline in Canada, they were as a whole legitimate from an accounting point of view;

(4) that variations in gasoline prices in 1929, 1930 and 1931 to consumers were not based directly upon ascertained refinery costs, but largely upon the variations in the market cost of crude oil with fluctuating additional charges for excise tax, sales tax, freight surcharge and exchange;

(5) that the reason for the unfavourable comparison at some points between United States competitive prices and those of the Imperial Oil Limited is due to the demoralized conditions of the gasoline industry in the United States, caused by the over-production of gasoline and various tax evasion "rackets," which, in turn, result in the price of United States gasoline falling far below the relative movements in crude oil prices and other costs of production and distribution;

(6) that the zoning basis of establishing gasoline prices operated to the comparative disadvantage of gasoline consumers at centres of trade in proximity to some refineries and to the advantage of those in the territories outlying from the refineries. It was also found that tank wagon gasoline prices were given to farmers and coastal fishermen both East and West;

(7) that apart altogether from the basis used in the establishing of gasoline prices, the spread between such selling prices and the combined costs of refining and marketing showed an average net profit of not exceeding 1.01 cents per Imperial gallon of all gasoline sold by Imperial Oil Limited in the year 1930; and

(8) that in view of the above finding and the fact that the investigation of Imperial Oil Limited, which occupies the leading position in the gasoline industry in Canada, disclosed no improper accounting practices in the matter of costs or unstated profits, the expense which would be involved in extending their investigation into the records of other oil companies in Canada would not be justified.

The Report of the Select Committee containing the proceedings and findings of the Inquiry, which was tabled in the House on May 24, 1932, stated: "From a consideration of the evidence and the Auditors' Report it is the opinion of your Committee that the price of gasoline to the Canadian consumer is not unreasonably high and that the public interest would not be served by a continuation of this Inquiry."

It is interesting to note, at a time when so many investigations were taking place in Canada into alleged combines in various industries, that the Inquiry into gasoline prices disclosed, not only the absence of a combine, but the existence of high marketing costs due to extreme competition, with resultant small percentages of profit to the oil companies.

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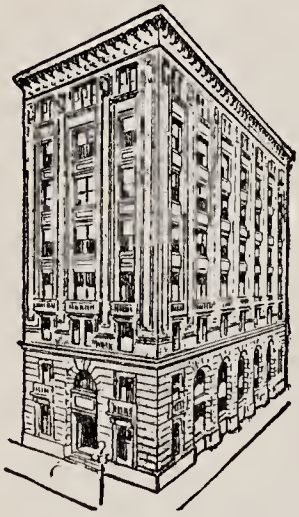

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